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Southeast Asia Report

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3 June 1985

SOUTHEAST ASIA REPORT

CONTENTS

INDONESIA

MERDEKA Urges End to 'Exploitation' of Sihanouk (Editorial; MERDEKA, 29 Apr 85).....	1
Japanese View of Country's Economy (BUSINESS NEWS, 20 May 85).....	3
Japanese Loan Figures (BUSINESS NEWS, 29 Mar 85).....	5
Planned LNG Exports in 1985 (BUSINESS NEWS, 20 Mar 85).....	7
Suharto Recommends 7-Point Policy for Investment Board (BUSINESS NEWS, 29 Mar 85).....	8
Simplification of Investment Licensing Procedures Discussed (Editorial; BUSINESS NEWS, 27 Mar 85).....	11
Nonoil Exports Discussed (Editorial; BUSINESS NEWS, 27 Mar 85).....	14
Projected Cement Procurement, Demand, Exports in 1985 (BUSINESS NEWS, 27 Mar 85).....	16
Domestic Fuel Oil Sales Decline (BUSINESS NEWS, 20 Mar 85).....	18
Briefs Competition From PRC	19

LAOS

UN Source Cited on Population Policy, Women's Benefits (NAEO NA, 24 Jan 85).....	20
---	----

MALAYSIA

Sabah Chief Minister on Meeting With Mahathir (Sharifah Rozita; NEW STRAITS TIMES, 7 May 85).....	22
Prime Minister Holds Talks With Malian President (Kuala Lumpur International Service, 7 May 85).....	24
Briefs	
Polish Reception for Official	25

PHILIPPINES

Rival Opposition Leaders Profiled, Unity Efforts Analyzed (VERITAS, 24 Mar 85).....	26
Unity Work Viewed, by Melinda Quintos de Jesus	26
Editorial Urges Support	29
Interview Offers Insights Into Aquino Trial (Tanodbayan Manuel C. Herrera Interview; VERITAS, 31 Mar 85).....	31
Series Details How Marcos Muffles Press (VISAYAN HERALD, 24-27 Mar 85).....	34
CPP Legalization, Role in Struggle Analyzed (Benjamin Salvosa; THE GOLD ORE, 23 Mar 85).....	42
Article Details Life of Woman Guerrilla in NPA (VISAYAN HERALD, 30-31 Mar 85).....	45
VERITAS Profiles Iligan Militia Leader's Cult (T. R. Lansner; VERITAS, 31 Mar 85).....	47
Laguna Presents Problem for KBL in Upcoming Polls (Chit L. Macapagal; VERITAS, 24 Mar 85).....	50
Bacalod Bishop on NPA, Negros Starvation (PHILIPPINE INQUIRER, 25-31 Mar 85).....	53
Summary of Intensifying Strike Movement (VERITAS, 31 Mar 85).....	54
General Describes Cagayan Rebel Log Taxing Effort (Peter Mabazza; BULLETIN TODAY, 27 Mar 85).....	55

Report on March 1985 Cebu Shipping Strike (VISAYAN HERALD, 27 Mar 85).....	56
Revisions Reported in Agro-Industrial Development Strategy (Patricia B. Bisda; VERITAS, 24 Mar 85).....	57
Alternative Davao Radio Airs Issues, Seeks Solutions (Carolyn O. Arguillas; VERITAS, 24 Mar 85).....	60

THAILAND

U.S. Stance on Political Development Viewed (SIAM RAT SAPDA WICHAN, 5 May 85).....	61
SIAM RAT Asks End to 'Silly Thinking' About Coup (Editorial; SIAM RAT, 6 May 85).....	64
Columnist Says Prem Using Chat Thai Disunity (MATICHON, 4 May 85).....	66
THAI RAT Asks Broadcast of No-Confidence Debate (Editorial; THAI RAT, 6 May 85).....	68
Briefs	
SRV Troops in Trat	70
Fishermen Arrested in Malaysia	70
Statement on Trat Border Clashes	70

VIETNAM

INTERNATIONAL RELATIONS, TRADE AND AID

NHAN DAN Hails Extension of Warsaw Treaty (VNA, 29 Apr 85).....	72
S. Vietnam Liberation Day Marked in USSR, Cuba (VNA, 30 Apr 85).....	73
Japan Supporting Cambodian Reactionaries (Hanoi International Service, 25 Apr 85).....	75
Amity Groups Arrive in Hanoi for Celebration (VNA, 29 Apr 85).....	77
Briefs	
Netherlands National Day Marked	78
Polish Amity Delegation	78
CC Greets Egyptian Counterpart	78
Delegation Returns From USSR	79
Bou Thang Delegation Visits Hanoi	79
Lenin Monument Construction Started	79

PARTY ACTIVITIES AND GOVERNMENT

Briefs

People's Council Deputies Election	80
Floral Tribute at Mausoleum	80
Official Visits Cemetery	80
Training of Women Cadres	81

ECONOMIC PLANNING, TRADE AND FINANCE

Situation in Ho Chi Minh City During Past 10 Years Reviewed (Nguyen Ngoc Tu; NHAN DAN, 9-13 Apr 85).....	82
---	----

Tien-Giang Province, Agricultural Collectivization (INFORMATION-DOCUMENTS, 1 Apr 85).....	107
--	-----

Briefs

Youth Labor Volunteer Force	111
Merchant Marine 20th Anniversary	111

AGRICULTURE

Briefs

Agricultural Collectivization	112
-------------------------------	-----

TRANSPORTATION AND COMMUNICATIONS

Briefs

Meteorologic-Hydrological Stations	113
------------------------------------	-----

HEALTH, EDUCATION AND WELFARE

Model Hospital in Ho Chi Minh City Described (VNA, 1 Mar 85).....	114
--	-----

Briefs

School Built With Soviet Assistance	115
Haiphong Family-Based Economy	115
World Food Program Expanded	115
Management Refresher Course	115

INDONESIA

MERDEKA URGES END TO 'EXPLOITATION' OF SIHANOUK

BK06G613 Jakarta MERDEKA in Indonesian 29 Apr 85 p 5

[Editorial: "Sihanouk's Position"]

[Text] Prince Sihanouk has once again come into the international spotlight following his threat last week to resign by requesting a 1-year leave for health reasons. Latest reports say that Sihanouk has cancelled his resignation because of calls by various parties.

It was not the first time the prince had threatened to resign. Some time ago, he did the same with the same outcome: His resignation was cancelled. In fact, what Sihanouk has done constitutes a manifestation of the game within the Cambodian coalition in which its significance is reflected through certain political signals.

Sihanouks' threats to resign can be viewed several ways. First, the prince uses the threats to ascertain his authority and credibility not only within the coalition but also in the regional and international political arena. Second, he uses them to express his concern over or to warn against something wrong not only within the coalition but also in the political relations of the factions within the coalition. Third, he does so to arrange certain political moves. Obviously, his unique position is the prince's only weapon in conducting his activities as the head of the coalition.

Nevertheless, what he has just done is rather different. He said that he needed a 1-year leave to recover his health, an act which would not amount to resignation but which would leave a vacuum in the top leadership of the coalition. This would have many implications. The coalition might fall to Khieu Samphan of the Khmer Rouge faction, which would bring a political risk to the coalition. In addition, Sihanouk might conduct maneuvers to consolidate his position or to end his role within the coalition. In other words, Sihanouk probably wanted to leave the coalition for certain reasons.

Sihanouk eventually had to express reservations. In an interview with AFP in Beijing over the weekend, the head of the Cambodian coalition frankly said that he could no longer stand the pressure from the PRC, the United States, and ASEAN. He considered himself a tool who must accept instructions

from his masters. In addition, he considered himself "a third wife" because Beijing is actively helping the Khmer Rouge and the United States supports Son Sann. In the opinion of diplomats, the Cambodian national figure seems to have become fed up with the role of a puppet of forces showing interest in the Cambodian issue.

Sihanouk's fate is indeed difficult. We know how this figure of international credibility has been taken hostage by various forces involved in the Cambodian political issue. First, he was taken hostage by the Khmer Rouge as an ace following his ouster by Lon Nol. Then, his 4 sons and more than 10 of his grandchildren were killed by Pol Pot and Ieng Sary under the Khmer Rouge regime. Now, he is being taken hostage as the "Chairman of the Cambodian coalition" although in his heart he hates the coalition because the Khmer Rouge have again played an important role and are assisted by the PRC. However, Sihanouk has been forced to do so because he has no power. His interests, life, and safety will be threatened if he does not serve these international forces. As a result, he feels terrorized by these international forces. ASEAN, of which Indonesia is a member, must realize this and must not necessarily force Sihanouk to join other countries in opposing Vietnam.

As a patriot, Sihanouk has unparalleled love for and loyalty to Cambodia. Sihanouk is ready to do whatever he can for the sovereignty and independence of Cambodia and the interests of the Cambodian people. His involvement is not permanent. It will end one day.

The political exploitation of Prince Norodom Sihanouk should be ended and the prince should be given the freedom to follow his own convictions. We are convinced that Sihanouk will not be rejected by the Cambodian people if he decides to return to Phnom Penh as a patriotic Cambodian citizen. The Cambodian people will sincerely receive him. The international community should now focus on how to free Prince Norodom Sihanouk from his bad fate and status as an international hostage.

CSO: 4213/224

INDONESIA

JAPANESE VIEW OF COUNTRY'S ECONOMY

Jakarta BUSINESS NEWS in English 20 May 85 p 2

[Text] Former resident representative of The Export Import Bank of Japan in Jakarta, Toshihiko Kinoshita, who Tuesday returned home, last Saturday revealed at Leknas (national economic institute) here some interesting thoughts on the Indonesian economic situation and its prospect for the coming years. After a steady yet less prominent growth from the 1960s to mid 1970s, followed by an uptrend until the beginning of the 1980s thanks to the oil bonanza, Indonesian trade with Japan according to Kinoshita has been gloomy since the end of 1982. In general Japan's business in Indonesia is undergoing a dark period, which may continue until 1990. The Indonesian government is therefore expected to adopt measures to stimulate economic activities.

Japanese companies will not be interested in making large investments in the mining sector until 1990, he predicted, because the demand for oil and other minerals in Japan has now been fulfilled. Only thereafter will the present supply be expected to fall short of Japan's needs. Interest in agricultural investments in Indonesia is not apparent either on the part of Japanese corporations, because they generally have no experience in tropical agriculture involving such crops as oil palm etc.

On the other hand, the decline of Japanese investments in Indonesia's manufacturing sector according to Kinoshita's estimate is more structural in nature rather than only a cyclic phenomenon. At present big Japanese firms are mostly more attracted to seek investment opportunities in the United States, and then European countries and PRC. Their interest in the rest of Asia seems to be decreasing. In Indonesia, Japanese companies that in the beginning of the 1970s invested their capital in textile (weaving, knitting, and dyeing) and metalware industries, have now been subject to fierce competition by domestic firms, including a number of state corporations. The market, described as saturated, was predicted to last for several years. This estimate and the latest government policy to restrict new applications for and expansion of foreign investments, according to him, make it difficult for Japanese firms to develop their strategy. Three Japanese companies operating in maize production have closed down along with some other Japanese enterprises. With these examples Kinoshita would like to deny the image as if Japanese corporations in Indonesia were making a lot of money. Such circumstances, in his view, should be taken into account in the government policy concerning capital investments. He also indicated that the 1983 devaluation had also dealt a

hard blow to a number of Japanese investors who at that time incurred large debts abroad.

Out of 24 investment projects worth US\$857 million approved by the Investment Coordinating Board (BKPM) in 1984, two are Japanese projects totalling US\$ 31 million. The figures compare with 55 investment projects worth US\$ 2,520 million for 1983, including 12 Japanese projects valued at US\$458 million. In general the number and value of investment projects approved by the BKPM last year declined compared with 1983, except Hong Kong (from US\$115 million to US\$683 million), Holland (from nil to US\$16 million) and South Korea (from US\$2 million to US\$31 million). In 1984 the number of foreign investments approved by the BKPM dropped considerably, and Japanese investments seem to have followed this trend.

Kinoshita also denied the notion that Japanese investors have not sufficiently implemented the transfer of technology as evidenced by the large number of Japanese citizens working in Japanese investment projects here compared with those working in Japanese projects in other countries. According to Kinoshita, the number of foreigners does not serve as a yardstick or proof of the absence of technology transfer. In his view the great number of Japanese in Japanese investment projects in Indonesia has resulted from the style of Japanese management, in which the Japanese generally work for life with a company. The Japanese always obey the order to work in small towns in Indonesia without being followed by their families for years. He pointed out that the Americans or Europeans refuse to accept such terms of work. They will only be prepared to work as long as they can live together with a large number of fellow expatriates, so that their children can go to school and they can continue their habits and style of life as they have been accustomed to in their own countries.

So are the main points put forward by Kinoshita, who as the executive of The Export Import Bank of Japan was fairly prominent among the Japanese business circles in Indonesia. We do not necessarily agree with everything he stated. But at least it will be very beneficial if we try to follow his thoughts.

CSO: 4200/761

INDONESIA

JAPANESE LOAN FIGURES

Jakarta BUSINESS NEWS in English 29 Mar 85 pp 6, 7

[Text]

The Japanese Government has sent a mission headed by Hiroshi Hashimoto, director of the Foreign Assistance Division of the Economic Cooperation Bureau, the Japanese Foreign Ministry, to Indonesia. The mission is in Indonesia from March 26 through 30.

The purpose of the visit is to exchange views with Indonesian government officials concerning projects which will be financed with Japan's yen loans in the 1985/86 fiscal year. Several members of the mission will remain in Indonesia to inspect the Asahan project on April 5 and 6.

Yen loans from the Japanese Government to Indonesia in 1984 amounted to 71.6 billion yens. Indonesia receives assistance from the Japanese ODA.

The 71.6 billion yens of loans have been extended to Indonesia with an interest rate of 3.5 percent a year for 20 years after a grace period of 10 years. The total of yen loans Indonesia received from Japan last year showed an increase of around 6.1 percent compared with the amount of yen loans received in the previous year.

The extension of yen loans from Japan to Indonesia stood at 55.5 billion yens in 1977, 90.05 billion yens in 1978, 88 billion yens in 1979, 71.23 billion yens in 1980, 58 billion yens in 1981, 63.17 billion yens in 1982, 67.5 billion yen in 1983 and 71.6 billion yens in 1984.

The accumulative Japan's yen loans to Indonesia had up to March this year reached 1,106.4 billion. Japan's loans to

Indonesia through IGGI (Inter-Governmental Group on Indonesia) totalled 787.3 billion yens.

Fourteen projects were financed with Japan's yen loans last year. The 14 projects comprise:

1. East Java Electric Power Transmission and Distribution Network (Stage IV).	14,000
2. Madiun River urgent flood control.	6,400
3. Brantas River Middle Reaches Improvement (stage II).	6,000
4. Telephone network expansion in Jakarta area.	5,600
5. Lower Jeneberang river urgent flood control.	5,381
6. Cawang flyover construction	4,700
7. Jakarta water supply development (stage II).	4,500
8. Railway track rehabilitation between Semarang and Surabaya (phase IV).	3,800
9. Rice seed production and distribution.	3,000
10. Bakahuni-Merak ferry terminals extension.	2,200
11. Kotapanjang hydro-electric power generation (engineering services).	1,152
12. Padang airport development (engineering services).	780
13. Padang area flood control (engineering services)	580
14. Ujungpandang shipyard expansion (engineering services)	535
15. Jakarta fishing port/market development (phase III - Development of cold chain system) (engineering services)	372
16. Scattered diesel power plants (equipment supply).	9,000
17. Maritime Telecommunication system (Phase II) (Equipment supply).	3,600

T o t a l : 71,600

INDONESIA

PLANNED LNG EXPORTS IN 1985

Jakarta BUSINESS NEWS in English 20 Mar 85 p 3

[Text]

Indonesia's exports of LNG in 1985 are scheduled at 746,200,000 MMBTU, comprising 392,050,000 from the Arun LNG plant in Aceh and 354,150,000 MMBTU from the Badak LNG plant in East Kalimantan. The shipment of LNG from Indonesia to buyers abroad had continued to increase every year till 1984.

The supply of LNG from the Arun plant (in MMBTU) stood at 164,061,260 in 1979, 235,831,310 in 1980, 244,419,260 in 1981, 253,029,340 in 1982, 274,645,250 in 1983 and 360,723,740 last year. The supply of LNG from Bontang (in MMBTU) reached 162,089,820 in 1979, 205,835,150 in 1980, 201,856,710 in 1981, 215,170,620 in 1982, 225,034,910 in 1983 and 369,667,505 in 1984.

The collection of foreign exchange earnings from the exports of LNG from the two plants is projected in the state budget at US\$ 1,840.6 million in 1984/85 and US\$ 1,947.9 million in 1985/86.

CSO: 4200/761

INDONESIA

SUHARTO RECOMMENDS 7-POINT POLICY FOR INVESTMENT BOARD

Jakarta BUSINESS NEWS in English 29 Mar 85 pp 3, 4

[Text]

National efficiency is one of important answers in facing heavy challenges in the development of the world and domestic economy; therefore, greater attention to the effort to promote national efficiency as comprehensive as possible is needed, President Soeharto said when he opened an annual working meeting of BKPM (Investment Coordinating Board) of Bina Graha here recently.

The Head of Government expressed his belief that national efficiency which would be implemented in various fields could secure sound and consistent economic development. He also emphasized the importance of stepping up efficiency in the investment field.

In this connection, he stated for example the need to avoid the excessive production capacity, viewed from the procurement of basic materials, the marketing and other factors of production, as the excessive capacity could make industries in the country inefficient. "We must avoid the trap of high cost economy," he stressed.

To enhance national efficiency in the investment field, the use of local equipment or local materials in investment projects and development projects in general must be given priority, the President stated. In this context, he mentioned the importance of giving protection to local products without sacrificing efficiency.

The President voiced the determination to promote the use of local products without making them spoiled.

SEVEN-POINT : BKPM must follow a seven-point policy in dealing with investment activities in the country, the Head of State pointed out. The seven-point policy, according to the President, is as follows:

1. Capital investment must support the strengthening of the industrial structure, with priority given to industries which produce capital goods, basic materials and complementary materials.
2. Capital investment must be undertaken with priority given to activities that utilize as much as possible the potential of natural resources and human resources in the country so as to make industries in the country deep-rooted and more competitive.
3. Capital investment which produces export commodities must be encouraged & given assistance and proper facilities.
4. Capital investment must be oriented to creation of job opportunities as much as possible, as well as the improvement in the quality and skill of Indonesian workers.
5. Capital investment must be able to function as a means for the development of technology in the modernisation of the whole life of the Indonesian people with their own identity. The Indonesian people must catch up with the progress made by other nations in the development of sciences & technology, as the advancement, welfare & prestige of a nation will be determined by the capability of mastering sciences and technology in the 21st century. Therefore, it is necessary to receive expertise and experts from abroad, especially for those still not sufficiently available in the country.
6. Capital investment must be spread to areas outside Java, particularly in creating new centres of economic activities and exploiting natural resources that still remain untouched, linked with the realization of the transmigration program.
7. Capital investment must also be oriented to natural conservation, environ

mental maintenance and the prevention of pollution.

With the policy underlined above, the investment planning must be formulated as accurately as possible and must secure the survival of the available investment projects, besides encouraging the growth of new investments, the President revealed.

The Head of Government called on all departments and other institutions to assist BKPM in formulating planning and preparing strategy for capital investment integratedly in the centre and in provinces.

The President stressed the need to develop business climate that encourage the participation of the business world in national development. He also suggested BKPM to consolidate itself and at the same time increase coordination with other sides, develop new ideas and improve services to investors.

He told BKPM not only to serve as one of good apparatuses of the government, but also to work with entrepreneurship concepts and instinct, as the main task of the board was to develop capital investment and to handle the issuance of investment permits, in the centre and in provinces.

Soeharto pointed out that private investments in Pelita IV (fourth five-year development plan - 1984/85 to 1988/89) were expected to reach 45.9% of the whole investments projected at Rp 145 trillion in the same period.

CSO: 4200/761

INDONESIA

SIMPLIFICATION OF INVESTMENT LICENSING PROCEDURES DISCUSSED

Jakarta BUSINESS NEWS in English 27 Mar 85 p 2

[Editorial: "The Procedure of Investment Licensing"]

[Text]

Acting Chairman of the Investment Coordinating Board (BKPM) Ginandjar Kartasasmita announced here Monday that starting April 1, 1985 a new and simplified procedure of investment licensing will come into force. The twenty-five requirements so far demanded to obtain investment licences are now reduced to only 14. Among those no longer required are the letter of authorisation to sign/handle applications, the regional mining licence (SIPD), the forestry agreement (FA) and the confirmation from the Ministry of Forestry, a copy of the agreement on the use of foreign technology and expertise, the Block Plan validated by the urban planning office especially for the sector of housing/office buildings/hotels, the land title for business operation (HGU), the governor's decision on land reservation, the designation of fishing areas by the Directorate General of Fishery, the proforma invoice on the quantity and value of machines to be imported, evidence on the payment of equity capital, and the feasibility study as well as clearance from the Indonesian Embassy on foreign partners.

In this way the requirements to be fulfilled within the framework of applications are the deed on corporate establishment and its amendments, the taxpayer identification number (NPWP), the flow chart, the description of prevention of environmental pollution, the confirmation letter on availability of logs from the Minister of Forestry for the timber processing industry, the confirmation letter on availability of basic materials from the chairman of the regional investment coordinating board (BKPM)/the agriculture service for the agricultural processing industry, the confirmation letter on availability of land for agriculture from the chairman of BKPM, the decree of the Minister of Forestry on conversion of concession land into agricultural areas, security clearance from the Ministry of Defence & Security especially for certain areas of operation, articles of association,

the annual report, the draft joint venture agreement/technical assistance agreement as well as bank references. The acting Chairman of BKPM emphasized that with this simplification BKPM is only in charge of handling strategic matters and concentrates on the capital investment policy. BKPM is not a licensing board.

The most important thing for would-be investors is naturally whether it totally takes a longer or shorter time to settle all licences in order to start operations. The handling of all kinds of licensing by BKPM was previously intended to shorten the time needed to issue these licences. One roof service or one stop service was put to the fore as a method to cut the time to finish licensing matters that earlier had to be handled through different agencies. Now it should be clarified whether the simplification only involves the procedure at BKPM alone, or the number of licences to be handled will also really be reduced. What has been explained by the acting Chairman of BKPM is only that the permanent approval (SPT) for domestic investments (PMDN) and the notification of approval (SPP) from the President for foreign investments (PMA) will be granted directly without issuing the provisional approval (SPS), so that SPT or presidential SPP can be issued within 6 weeks, instead of 3 months as practised so far. He also mentioned the abolition of fees for applications to employ new expatriates, contributions for compulsory education and training for the employment of foreign personnel beyond time limits, fees for applications to obtain working licences for expatriates, etc.

The government and particularly BKPM seem to be increasingly aware that smooth licensing constitutes a vital issue if capital investments, PMDN as well as PMA, are supposed to be drawn. BKPM has indeed rightly made contacts with the business sector in a systematic way, such as the meeting on March 20 under the sponsorship of Permanin (national management association) with about 30 businessmen — industrialists, bankers, national as well as foreign — for an open and free discussion. One of the problems put forward was that investors want to make sure that the marketing of their products will be done aggressively and skillfully, and for this purpose they also would like to join the marketing. But this possibility is closed especially to foreign investors. They have to leave the marketing job to distributors they cannot rely on. They can set up dummy distributor companies but even such firms cannot be definitely expected to work well. They can appoint Indonesian partners as distributors but a conflict of interest may arise here. Since the three alternatives are equally less attractive, the prospect of investments can be gloomy as well. On the occasion the acting Chairman of BKPM said that the government is fully aware of this dilemma, but on the other hand a broader interest is at stake viz. the effort to develop a group of skilled national traders. So it

is impossible to grant the marketing licence to PMA. But as a mid-way solution he referred to the new provision that PMA investors can sell their products directly to government projects without going through national distributors. Though this only involves part of the existing products, at least the marketing of this portion can be directly arranged by the investors.

It is such settlements that have been sought and expected from direct contacts conducted openly as the one organised by Permanin. As long as this contact channel continues, the simplification of procedures for licensing etc. can hopefully be more effectively realised.

CS0: 4200/761

INDONESIA

NONOIL EXPORTS DISCUSSED

Jakarta BUSINESS NEWS in English 27 Mar 85 pp 3, 4

[Editorial: "Once Again: Non Oil/Gas Exports"]

[Text]

Once again, non oil/gas exports will be discussed. This time the Indonesian Economists Association (ISEI) will convene a plenary session under the main theme: "Efforts to boost non oil/gas exports". The session, to be made up of commissions, will deal with problems of non oil/gas exports in detail from the viewpoint of commodities and also examine foreign markets such as the EEC and socialist countries. One aspect that is worthy of review and discussion in conjunction with non oil/gas exports is the high cost nature of the Indonesian economy. ISEI as a professional organisation of economists is naturally expected to be able to specify the cost components of this high cost economy, which in the context of a competitive international economy will get even more apparent in the eyes of the world. If the high cost economy is manifested in import substitution products such as those of the automotive industry, the high cost is borne by consumers, who have no choice in Indonesia owing to the protectionist nature of its industrial development. So Indonesian consumers have to buy cars at prices 5-6 times the international level. Competition only prevails among the same import substitution manufacturers in a market protected by the government from foreign competition through import bans, which constitute a non tariff barrier in international trade.

But if we talk about exports we should reckon with the international prices and they are often felt by Indonesian exporters as too "low". This is because the exporters have to finance various kinds of cost needed to export their goods. The costs for export licensing, bank services financing, the purchase of commodities to be exported and sorting as well as standardizing on the basis of technical specifications laid down in international trade, transportation covering also port and shipment costs, as well as other expenses required in the process of exporting certain commodities, all of them give rise to an unusually high final cost. Different examples of the characteristics of our high cost economy can be cited. Plywood for instance, at the manufacturer's plant in Indonesia is priced at around 15% lower than the factory price in Singapore. The same is true of tyres, now an export item, whose factory price is 30% lower than the rates in the other Southeast Asian countries. However, when the f.o.b. (free on board) price is put into comparison, then our price is well above our rival products. It is for this reason that President Soeharto's instruction to the Internal Security Commander to safeguard the new government policy in the port sector (to be announced later) is seen by many circles as a correct measure.

This presidential instruction for us suggests how the effort to promote non oil/gas exports essentially belongs to the area of political economy and the government. A detail of the cost components from the factory to the f.o.b. level for instance, will make us aware of the magnitude of this problem, which involves aspects of security and politics.

So far our endeavour to boost non oil/gas exports (which for fiscal 1985/86 are put at 7 billion US dollars) has been made by introducing fiscal and credit stimuli. The presence of export certificates and export credits with low interest are examples of stimuli that in the near future will get even more difficult to realise because they are inevitably considered contrary to the principles of GATT (General Agreement on Tariffs and Trade). This becomes even more evident with the recent "dispute" between Indonesia and the U.S. regarding our textile exports.

Of course we cannot stick to the GATT principles while the industrialised nations continue to practise protectionism. But the Indonesia-US agreement on textile exports shows that the fiscal and monetary incentives become increasingly difficult for Indonesia to realise by the methods so far applied.

Hence what Indonesia should do at present is to promote exports by making use of the comparative advantage calculated with a high degree of keen-sightedness and at the same time to do away with the high cost economy. The latter is basically a political issue that can only be handled by the government. ISEI will be more productive if in its plenary session on March 27-28 it gives suggestions on ways to reduce the characteristics of the high cost economy to the government.

CSO: 4200/761

INDONESIA

PROJECTED CEMENT PROCUREMENT, DEMAND, EXPORTS IN 1985

Jakarta BUSINESS NEWS in English 27 Mar 85 p 6

[Text]

The procurement of cement in the country in 1985 is expected to reach 9,400,000 tons, exceeding the domestic consumption of cement which is estimated at 9,027,000 tons this year.

The monthly procurement of cement this year is projected at 838,500 tons in January, 772,900 tons in February, 782,000 tons in March, 779,400 tons in April, 730,500 tons in May, 689,750 tons in June, 747,200 tons in July, 786,800 tons in August, 807,600 tons in September, 820,150 tons in October, 827,000 tons in November and 818,200 tons in December.

The domestic demand for cement is estimated at 783,100 tons in January 1985, 756,650 tons in February, 752,850 tons in March, 727,300 tons in April, 685,550 tons in May, 668,550 tons in June, 713,150 tons in July, 750,650 tons in August, 773,350 tons in October, 809,750 tons in November and 810,150 tons in December.

The surplus of cement supply in the country in 1985 will enable Indonesia to increase cement exports. Indonesia's cement exports this year is projected to reach 1.3 million tons, comprising 500,000 tons to Bangladesh, 400,000 tons to Singapore, 200,000 tons to China, 100,000 tons to India and 100,000 tons to other countries. Cement to be exported this year will be provided by three cement producer companies, namely PT Indocement, PT Semen Andalas and PT Semen Padang.

This year Indonesia is expanding cement exports to non-traditional markets

such as China and Australia. It has been proposed to the government that cement should be included in the counter purchase policy.

The government is expected to give facilities to lower the cost of cement transport, considering the fact that around 30 percent of the export price of cement consists of the transport cost.

With the completion of a cement plant in Kupang (PT Semen Kupang) which has an installed capacity of 120,000 tons/year and a cement plant in Sulawesi (PT Semen Tonasa III) with an installed capacity of 590,000 tons/year, the total installed capacity of the national cement industry rose to 12,310,000 tons in 1984.

But the real cement production last year stood at only 8,816,756 tons, around 84% of the planned production of 10,477,000 tons or about 72% of the national installed capacity (excluding the installed capacity in the production of white cement).

The supply of cement to the domestic market in 1984 reached 8,353,044 tons, around 80% of the target of 10,477,850 tons. The procurement of this building materials in the country in 1984 stood at 8,376,544 tons, below 8,455,023 tons reached in 1983.

Indonesia's cement exports in 1984 reached 366,223 tons, about 93% of the projection of 393,000 tons, while the realization of clinker exports in the same year stood at 37,023 tons, around 12% of the planned clinker exports of 300,000 tons.

CSO: 4200/761

INDONESIA

DOMESTIC FUEL OIL SALES DECLINE

Jakarta BUSINESS NEWS in English 20 Mar 85 p 5

[Text]

The sale of fuel oils in the country in 1984, based on provisional data, reached 24,601,354 kilo litres, slightly dropped compared with 24,961,564 kilo litres in 1983.

Kerosene, diesel oil and residual oil have so far been dominating the domestic sale of fuel oils. The domestic sale of Super-98 gasoline showed a slight increase last year as against that in the previous year.

The detail of the domestic sale of fuel oils from 1981 to 1984 is as follows : (in kilolitres).

YEAR	AVGAS	AVTUR	SUPER-98	PREMIUM	KERESONE	ADO	IDO	RESIDUAL OIL	TOTAL
1981	16,679	596,505	62,237	4,078,025	8,347,030	7,102,462	1,473,035	2,696,414	24,372,387
1982	15,656	619,539	37,497	4,087,739	8,232,313	7,769,776	1,454,686	2,959,173	25,176,399
1983	13,208	585,544	38,820	3,865,080	7,653,171	7,848,536	1,574,416	3,382,789	24,961,564
1984 :									
January	924	50,087	4,381	314,409	609,011	614,027	144,786	363,954	2,101,579
February	828	48,645	5,219	297,811	530,143	580,645	127,236	286,610	1,877,137
March	1,025	51,200	5,857	327,536	600,032	643,369	141,478	270,163	2,040,660
April	982	48,072	6,085	315,748	569,585	611,525	134,629	269,035	1,955,661
May	840	51,387	6,880	339,624	615,405	641,077	132,998	272,270	2,060,401
June	971	49,552	6,742	333,313	622,593	622,593	137,223	305,023	2,094,023
July	940	52,484	7,006	347,936	621,291	628,292	117,365	291,610	2,066,924
August	1,025	51,411	7,695	339,414	621,367	672,377	140,936	276,872	2,111,097
September	984	50,356	7,498	330,453	573,189	635,200	116,178	273,848	1,987,706
October	875	54,730	8,096	338,521	643,859	672,319	129,883	349,015	2,197,298
November *)	1,032	46,307	8,344	324,799	598,513	646,327	143,712	254,522	2,023,558
December *)	1,030	58,133	9,095	340,664	578,539	666,223	141,132	290,619	2,085,435
Total	11,456	612,364	82,898	3,950,228	7,283,527	7,549,984	1,607,556	3,503,541	24,601,354

*) Provisional figures.

CSO: 4200/761

INDONESIA

BRIEFS

COMPETITION FROM PRC--Indonesia will try to find new markets for its oil in the face of competition from the PRC's oil exports. Mining and Energy Minister Subroto made the remark to newsmen after reporting to the president at Bina Graha this afternoon. He said that the PRC, which produces 2.4 million barrels of oil daily, is currently the largest oil producer in Asia and exports 400,000 barrels of oil daily. Minister Subroto reported to the president on the results of his trips to attend a meeting of ASEAN mining and energy ministers in Bangkok from 25 to 26 April and a recent meeting of the OPEC Executive Committee in Geneva. [Text] [Jakarta Domestic Service in Indonesian 1200 GMT 6 May 85 BK]

CSO: 4213/224

LAOS

UN SOURCE CITED ON POPULATION POLICY, WOMEN'S BENEFITS

Bangkok NAE0 NA in Thai 24 Jan 85 p 3

[Penetrate the World column: "Laos Wants to Increase Population In Order to Restore the Country"]

[Text] While other countries in Asia are making a great effort to lower the population growth rate in their countries, Laos is trying to do just the opposite. That is, it wants to increase the size of its population.

Even though the population policy of Laos is quite different from that of other countries, there is a very understandable reason for this. A report published by the U.N. Fund for Population Activities states that "Lao leaders feel that the population must be increased in order to restore and develop the country. Because at present, the population is small and the population growth rate is low, which is not what is wanted."

At the end of 1982, the population of Laos was 3.7 million, and the average annual growth rate was 2.7 percent. Even though that is a rather high rate for many countries, Lao officials feel that this is very low since they believe that it is necessary to have a larger population so that full use can be made of the existing natural resources and so that the development projects can hit the planned targets.

In order to implement this policy, the Lao government is encouraging [people] to have large families. In particular, women have been guaranteed a better standard of living if they have many children. For example, when a couple weds, government officials give the bride a sum of money. And when a woman gives birth, all expenses are paid by government officials.

Although most couples in Asian countries prefer to have sons, Lao officials have officially announced that all children, regardless of whether they are males or females, have the same rights. Decisions about how much food and education a child is to receive depends on age, not sex. The same is true for jobs. Neither sex is to be shown any preference when hiring people. There are no legal restrictions

on what jobs women may perform. Laos began its campaign to get people to have more children in 1975 after the communists seized power. Many Laotians died in the struggle for power, and 275,000 fled abroad during the war. This is why the population of Laos declined sharply.

Something else that is important is that the number of knowledgeable and skilled people declined, too. Thus, Lao officials felt that it was urgent to increase the number of people with technical knowledge and with expertise in other fields so that they could help restore and develop the country. One terrible effect of the war was that many Laotians had to move away from their native areas. From a survey conducted in 1975, it was learned that 60 percent of the population had had to flee to escape the ravages of war.

At present, Lao officials are trying to solve the unemployment problem by allotting fallow land to these people and to the Lao refugees who fled abroad and who have returned.

Even though the policy of Laos is to encourage people to have many children, it has also implemented a family planning program. However, the purpose of this is not to limit the size of the families but simply to stipulate the length of time that women should wait before having another child. This means that a family planning program has been implemented just in order to reduce the risks to the mother's health. Efforts to increase the size of the population will continue.

11943

CSO: 4207/190

MALAYSIA

SABAH CHIEF MINISTER ON MEETING WITH MAHATHIR

BK081203 Kuala Lumpur NEW STRAITS TIMES in English 7 May 85 p 2

[Article by Sharifah Rozita]

[Text] Kuala Lumpur, Monday--The Parti Bersatu Sabah (PBC) Government will adopt a frank and open approach in its relations with the Federal Government, Sabah Chief Minister Datuk Joseph Pairin Kitingan said.

The same approach would be used when implementing plans and policies for Sabah, he added.

"As far as we are concerned, we are open and have nothing to hide and nothing to worry about," he said.

"We will continue to provide the right information and background and follow-up to the Federal Government so it will understand what we are going to do.

"There is nothing in our policy which is against the Barisan Nasional and our aspirations for the State of Sabah are the same as that of the Barisan: stability, stronger economy and a stable civil service," Datuk Pairin told reporters after meeting Prime Minister Datuk Seri Dr Mahathir Mohamad today.

This was the first meeting between them since Datuk Pairin took over the reins of the Sabah Government.

The Federal Government, on its part, will not hinder the programmes and plans Parti Bersatu Sabah (PBC) will implement for the progress of Sabah.

Indeed, it will continue to provide assistance as it had done for the previous state government for the benefit of the people.

"The Prime Minister has assured me the Federal Government will treat the new state government as it has treated the previous government and will not hinder it in its plans for the progress of Sabah," Datuk Pairin said.

"In fact the Prime Minister has also hoped we will do even better than the previous government."

Kuala Lumpur will also continue to provide assistance for the good of the country and the state of Sabah.

The PBC administration will report from time to time to the Federal Government about what it is doing and hold consultations with the latter if necessary before implementing policies and projects.

Datuk Pairin added that his government will emphasize better communications with Kuala Lumpur, as this is the main way to improve Federal-State relations.

"Only by coming together and providing explanations can we clear the air... about doubts and fears," he said.

The meeting, which he described as a fruitful and happy one, also enabled Datuk Pairin to explain the political and security situation in Sabah.

When asked about PBC's application to join the Barisan, he said: "We did not discuss it."

CSO: 4200/909

MALAYZIA

PRIME MINISTER HOLDS TALKS WITH MALIAN PRESIDENT

BK071618 Kuala Lumpur. International Service in English 0600 GMT 7 May 85

[Text] Malaysia will continue to provide training facilities for the people of Mali. The prime minister, Datuk Sri Dr Mahathir Mohamed, gave this assurance to the visiting Malian president, General Moussa Traore. The two leaders held a lengthy discussion on various issues at the prime minister's office in Kuala Lumpur this morning. The drought problem faced by Mali and other countries in the African continent featured prominently in the talks. Datuk Sri Dr Mahathir expressed his concern over the problem. Malaysians have collected funds in aid of the drought victims. The country has also donated a drilling equipment to Mali to extract underground water for agricultural purposes.

A spokesman for the Ministry of Foreign Affairs in briefing newsmen later said the two leaders held discussions for more than an hour before officials joined them. The Malian delegation was briefed on the latest development of the Kampuchea issue with particular emphasis on the proximity talks between the parties involved as suggested by Malaysia. The Malian president reiterated that his country will continue to cooperate closely with Malaysia in international forums such as the Islamic Conference Organization and Nonaligned Movement as well as towards South-South cooperation. He notes that Mali and Malaysia share similar views on many world issues.

CSO: 4200/909

MALAYSIA

BRIEFS

POLISH RECEPTION FOR OFFICIAL--Malaysia has asked Poland to assist ASEAN find a political solution to the Kampuchean problem. The deputy minister of foreign affairs, Mr Kadir Sheikh Fadzir, says it is all the more important now for a solution to be found quickly to the Vietnamese occupation of Kampuchea, which he described as a retrogressive step in efforts to isolate the South-east Asian region from global conflicts. Mr Kadir was speaking at a reception hosted in his honor by the Polish vice minister of foreign affairs, Mr (Jan Majuski) in Warsaw. The text of his speech was released in Kuala Lumpur. He said the situation in occupied Kampuchea poses a serious threat to peace and stability in the region. Mr Kadir said Malaysia shares Poland's concern over the increase of armaments in Europe and added Malaysia favors a complete and general disarmament. Referring to trade, he said Malaysia welcomes all efforts to increase the volume of bilateral trade through direct countertrading. [Text] [Kuala Lumpur International Service in English 0800 GMT 8 May 85 BK]

CSO: 4200/909

3 June 1985

PHILIPPINES

RIVAL OPPOSITION LEADERS PROFILED, UNITY EFFORTS ANALYZED

Unity Work Viewed

Quezon City VERITAS in English 24 Mar 85 p 4

[Article by Melinda Quintos de Jesus: "Celing and Cory: The Gentle Factor"--
"Two leaders of the opposition seek a new formula for unity"]

[Text]

WHAT'S in a woman? Power, perhaps. Persuasion, certainly. On the opposition front, the hope is that women can wield the proverbial persuasive powers of the so-called weaker sex to produce peace among competing factions and promote it into political unity.

One thing is clear. Because the women involved are Cory Aquino of the Convenor Group (CG) and Cecilia Muñoz Palma of the National Unification Committee (NUC), the men have little reason to complain. By the same token, the people who have been so disappointed by the opposition intramurals have every reason to hope that before long, the fragmented anti-Marcos elements can finally come together to field one standard bearer against the regime.

Without unification, Filipinos can only fear that the worse is yet to come.

For the two women there is not the slightest danger that female chauvinism will spoil the act. In a joint exclusive interview with *Veritas*, Cory and Celing were anxious not to rustle any petticoats, not to ruffle any feelings, specifically the male reservations about the role they are to play in trying to iron out the still remaining differences between the two major programs for unification. The two

revealed to *Veritas* that they have been authorized by the Convenors and the NUC respectively to get together and form a two-woman arbitration committee that will explore through dialogue a formulation for unity acceptable to all.

They, in turn, have pledged not to make any commitments without consultation with their respective groups. But both want the freedom to meet one-on-one without raising suspicions about their purposes.

In a tone of regret, Cory says, "We seem to have forgotten that our enemy is Marcos. Instead we have been reduced to sniping at each other." The point of the exercise for herself is to be able to work with every segment of the opposition. She thinks the work of recovery and reform needs everyone. Referring to the biblical passage about the workers in the vineyard, she maintains that even those who come late have a role to play, a task assigned to them. "I do not think we should wish to make the opposition a matter of exclusive membership. Because when you get down to it, who were there, how many were there, from the beginning?"

In the public mind, the initiatives of the Convenor Group which Cory was asked to join late last year focused on the fast track

scenario, an emergency approach to enable the opposition to field a candidate in case of sudden elections. On the other hand, the process undertaken by the NUC details the formation of local, regional and national alliances that would call a national convention. Since its launching, the Convenor Group had identified nine potential standard bearers or PSBs. It has also consulted with various other groups to modify its plan of action by broadening the participation of other opposition groups in the selection process.

Both groups appear to have moved closer to a common meeting ground, or at least to some point of compromise. But the divisive feelings still rankle. The Convenors are seen as more representative of those sectoral groups without a political party base, and an animosity dramatized by the boycott-participation debate seems to have poisoned relations between the sectoral groups and the parties. The NUCs still have to shake off the impression that it will favor some political party's goals rather than work toward a genuine consensus.

SO MUCH work remains to be done.

Justice Palma concedes that the CG pushed the momentum for the rest of the Opposition, pointing out that a unification committee had already been formed but had not taken definite action. She rues the fact that early moves taken by opposition leaders immediately after the assassination of Ninoy Aquino, among them, Tañada, Rodrigo, and herself, to get their ranks together had not been sustained. "If we had kept it up from the very beginning the lines of division would not have deepened and disunity would not have flourished. *Hindi na sana lumago.*"

But both women are convinced that it is not too late.

By way of clarifying reports that she wanted to quit the Convenor Group, Cory explains that it was not so much breaking away from the CG as much as wanting to be identified also with those pushing the NUC. Cory's voice

may waver as she thinks aloud, proposing, paraphrasing, reconsidering. Her words are carefully chosen, as though she were treading softly, almost gingerly upon treacherous ground. But her answers are always forthright.

"At first, I was hesitant because we did not know if the NUC exercise would serve only the purposes of one candidate. But with Celing Palma and Soc Rodrigo on hand, I was more confident that things would not be manipulated. I also wanted to reach out to them, especially those friends that I had campaigned for and worked with in the May 14 elections. I did not want them to feel that I belonged only to one group. I also felt strongly that we should not be so afraid of taking risks."

Jaime Ongpin, a Convenor himself, supports her in this. He suggested that Cory be allowed to play a role that transcends the partisanship of any one group. From the other side, Soc Rodrigo agrees. "Cory belongs to everybody."

Here, Cory Aquino's counterpart could not have been better placed and better positioned to fulfill the new mandate. The former Supreme Court Justice reiterated in a frail but firm voice the gist of her message last March 10: We must first of all learn to trust one another. Both are credible witnesses to the theme of trust.

THE credentials of the two women transcend the gender factor. Clearly they are asked to play such a significant part simply because of who they are. But why has the task of unification been placed in the hands of two non-politicians? Palma won her seat in parliament last year but it was her very first campaign ever. She is certainly not regarded as a "pol."

Cory and Celing explain it simply as a matter of "circumstances." But these circumstances are clear to those who feel they are indeed the best persons for the job.

They are two different women. Cory reminds everyone that she

has always been, "just" a mother and a housewife, and, as a politician's wife, she had always remained in the background. Celina on the other hand had set a stunning judicial record and in the Supreme Court issued fearless dissenting decisions against the Marcos administration.

They are separated by a generation gap; Justice Palma is 72, Cory is 52. But there is mutual respect, even an obvious pleasure and enjoyment in each other's company.

Why Cory and Celina? Perhaps it is because their peers in the Opposition feel that they have earned the people's trust and confidence. They have displayed no personal ambition. The record has shown them placing national interest, or better still, the interest of the people, above all else.

The one-on-one sessions began last week when one evening after a Batasan session, the former Supreme Court justice stopped by Cory's home to talk. The Senator's widow re-echoes her misgivings about how much she can really do. "I have no record. As Ninoy's wife, I waited for him to tell me what to do. But I have made my adjustments and I have come around. Perhaps I would not have done so if the people themselves had remained quiet. But they had taken the lead and I owe it not only to Ninoy, I owe it to the people also."

But in so far as expanding her role, she is adamant and firm, and one can only agree that as far as paying the dues, she and her family have surely done enough.

I WILL lose my effectivity if I were a candidate. First of all, I am not a politician, and people would be right to question and criticise my abilities. But I do not think it will have to come to that." She acknowledges that the public has grown cynical about leaving things in the hands of the politicians and want a new kind of leader, one who will not play by the "old" rules, (read "dirty"). But she counters in a voice that betrays the edge of her emotions. I don't think all politicians fall under the

rotten stereotype. Having been married to Ninoy, I am convinced that politicians can live by their principles and not necessarily be corrupted. Ninoy and I lived in the same house on Times Street all our life. He has been accused by his critics of being a communist, a CIA agent, but he was never linked to any scandal of graft and corruption."

"It is sad that so few good people want to enter politics, because it is up to these people to bring about reforms. Of course, I know it is a difficult life. And my children know that, and that is why you must believe me, that for so many of these reasons, I simply cannot run."

In fact, her present role may be just as meaningful and significant. In giving her support, her time and encouragement to the campaign of the opposition and to the process of selecting one candidate, Cory Aquino may still lend those enormous spiritual resources that could shape and inform the new politics of recovery.

FOR NOW, Justice Palma and she feel that unity should be worked out on the basis of selecting a viable, credible candidate. The details of a government platform, the differences in the various proposals, can be worked out later.

How will they go about it?

Cory thinks that it will involve appealing individually to all potential candidates and reminding them that without unity they can only fail before they begin.

Celina suggests resorting to the drawing of lots by all the most serious aspirants. "It would be a last resort. But it should work. The aspirants should recognize that it may be God's hand."

Another path that could emerge is to limit the process only to those in the CG and the NUC who are not candidates themselves and who can therefore more freely assess the qualifications of the aspirants. But this would depend on the willingness of the PSBs to withdraw from the selection process.

Both women check the calen-

dar for a workable time frame. And both agree that Easter week might signal another turning point for the opposition.

Celling thinks the timing would be apt, the season symbolic of new life: "We may have to go through our own Good Friday first before we can hail our Resurrection."

Cynics may not be so hopeful. There is after all a third woman to contend with. And that is what the Opposition leaders should keep in mind when Cory and Celling approach them on their mission of peace.

Editorial Urges Support

Quezon City VERITAS in English 24 Mar 85 p 5

[Editorial: "A Tale of Two Women"]

[Text]

PERHAPS by sheer coincidence, the monumental task of trying to achieve unity within an opposition that shows signs of disarray has been placed in the hands of two women.

The National Unification Committee (NUC) has authorized Justice Cecilia Muñoz Palma to negotiate with the representative of the Convenor group. And the CG's representative, not surprisingly, is Mrs. Cory C. Aquino.

The credentials of the two are as impeccable as they are impressive. Justice Palma, as everyone knows, retired from the Supreme Court with a record that all jurists would envy. In the atmosphere of repression which shrouded the country during her tenure in the high tribunal, she showed her independence of mind and her uncompromising championing of the cause of justice and freedom by writing incisive, well-documented dissenting opinions that elicited from Senator Jose W. Diokno his now classic encomium of her: "She is the only man in the Supreme Court."

And, at the Batasan, where a grateful people sent her last May, she has become a pillar of the opposition.

Mrs. Cory C. Aquino, the widow of Ninoy Aquino, found herself pushed into the national limelight when her husband was assassinated. She has been there for less than two years, but her quiet dignity, her humility and her commonsensical approach to national problems, not to mention her courage and her love for democracy, have made her widely admired and respected.

If anyone can forge the much-sought-for unity in the ranks of the opposition, Justice Palma and Mrs. Aquino can. Their respective groups quite clearly trust them implicitly, and they have an enormous fund of goodwill and sincerity that they can draw upon in the days ahead as they go about their work.

Both of them have no illusions about the task that has

been assigned to them. "We need a miracle to arrive at a formula that will work," Mrs. Aquino told *Veritas*. Justice Palma nodded vigorous agreement. "The opposition leaders must be willing to subordinate personal ambition to the larger cause of restoring democracy to our country," she said.

Both believe that the opposition should see that they have only one enemy, President Marcos. "We should not be fighting each other," they declared.

They agreed also that, particularly during this Lenten season, when everyone is called to mortification and sacrifice, there is a greater need for prayer. "We must seek divine guidance," they told *Veritas*.

As these two distinguished ladies go about their task, it is incumbent upon everyone who believes in the cause of a united opposition to give them all the cooperation and support that they need.

There may be male chauvinists among us who resent the fact that this task has been entrusted to two women, women, moreover, who are not even politicians and who are not acquainted with the nitty-gritty of practical politics. The fact that they are women is strictly accidental and unimportant. What is important is that they are working for a cause that they passionately believe in. Their work, we have no doubt, will be all the more effective because their motivations are not tainted by ambition.

We wish them success.

3 June 1985

PHILIPPINES

INTERVIEW OFFERS INSIGHTS INTO AQUINO TRIAL

Quezon City VERITAS in English 31 Mar 85 p 4

[Interview by Felix B. Bautista with Deputy Tanodbayan Manuel C. Herrera, prosecutor in the Aquino-Galman Murder Trial: "The Evidence is Very Strong"]

[Text]

EVERYONE who reads the newspapers amicably is aware that Justice Manuel R. Pamaran is known as the "Hanging Judge." Reason: in the years that he presided over a special court trying criminal cases, he sentenced no less than 60 defendants to the electric chair.

Not everyone knows, however, that for Pamaran to rack up this unique record, he had to have a prosecutor who could present evidence and examine and cross-examine witnesses with extreme competence and skill.

Pamaran had such a prosecutor. His name?

Manuel C. Herrera.

Yes, the same Manuel C. Herrera who, in his capacity as Deputy Tanodbayan, is now facing the greatest challenge that any government prosecutor in living memory has been called to meet: to secure justice for the Aquino and Galman families in what has been rightly called "the trial of the century."

Will Herrera, the small-town boy from Bataan who worked his way up from messenger in the post-war Congress to his present exalted position, be equal to this challenge?

Based strictly on his record as a prosecutor of capital offenses, it would seem so. Only two of the 60 or so cases where he asked for — and got — the death penalty

have been overturned by the Supreme Court. "But the high tribunal is still reviewing the rest of the cases," he adds with a rueful smile. "In fact, not one of these given the death penalty has been executed yet."

Is he aware of the growing popular perception that he does not seem to be prosecuting the case against the 22 accused with the enthusiasm and vigor that a public hungry for blood expects of him?

Herrera nods quietly, his brows knitting and his forehead creasing. "I am not as flamboyant or as loud as some of the defense lawyers," he says. "That is not my style in the courtroom. But I can be as forceful as the rest of them when the situation calls for it."

Newsmen covering the Sandiganbayan hearings were pleasantly surprised last Monday when the soft-spoken Herrera gave way to the vehement prosecutor fighting tooth and nail against the defense motion to rule two foreign video tapes inadmissible as evidence on the ground that they could have been tampered with.

Herrera won that point — temporarily, at least.

On the basis of the evidence in his hands, can he secure a conviction?

There is a note of quiet authority in his voice when he answers. "I am convinced I can," he de-

clares. "The Fact-Finding Board did a thorough job. The evidence they turned over to me is very, very strong."

But if this was so, how come he did not recommend the indictment of all the accused as co-principals?

Again, the rueful smile. "The Tanodbayan, Justice Bernardo Fernandez, who is my boss, has the final say on what indictments should be returned," he says softly.

Did this mean that his original recommendation was overruled? Herrera wasn't saying. "Justice Fernandez has the final say," he repeats.

Veritas adopted another tack. How does he view the defense contention that the testimonies of Gen. Fabian C. Ver and others before the Agrava Board should be thrown out on the ground of self-incrimination?

Herrera's voice rises perceptibly. "That is ridiculous," he contends, his left hand making a sweeping gesture. "You incriminate yourself when you confess to having committed a crime," he avers forcefully. "In the present case, not only did General Ver not admit the commission of a crime, he actually denied that any crime had been committed."

He snorts a little, assuming that a man of his gentle deportment is capable of snorting. "How can there be self-incrimination there?"

Is there any chance that Justice Pamaran would run out of patience if the missing witnesses are not found and throw the case out for insufficiency of evidence?

"There is always that chance," Herrera admits, but he appends hastily, "I believe, however, that Justice Pamaran is a reasonable man and he will give us all the time to ferret them out."

He says that in the beginning, he decided to ask the National Bureau of Investigation to look for the four witnesses — Olivia Reyes, Fred Viesca, Efren Ranas and Ramon Layoso — so that they would not be intimidated by military uniforms. Now, however,

that the search has proved fruitless, he is asking all law-enforcement agencies to join in the search.

"I call on everybody — civic groups, Catholic organizations, everybody — to cooperate in the search. The testimony of these four is vital, and they must come forward to repeat what they told the Agrava Board."

WAS he hopeful that the four would turn up?

"I do not believe that Ramon Balang (the PAL ground engineer who testified earlier that Aquino had been shot on the stairway and not on the tarmac as claimed by the defense) has a monopoly on patriotism," he declares.

If the witnesses do turn up, say in April, how soon thereafter would he be able to wrap up the prosecution?

"I should be finished by May at the latest," he says. "But then, the defense would have to present its witnesses, and there is no saying how long that would take."

Veritas called his attention to the fact that the First Division of the Sandiganbayan, composed of three justices as it is, is supposed to be a collegial body. How come, then, that the presiding justice seems to be ruling on motions and issuing orders, often apparently without consulting the two justices on each side of him?

"You will have to ask the three justices that," Herrera says cautiously.

He does admit, however, that he and Pamaran have known each other for years. "We were classmates at the Manuel L. Quezon University college of law where we both graduated in 1952," he attests candidly. "We call each other *tocayo* outside of the courtroom."

Notwithstanding this relationship, however, Pamaran has been known to shout at Herrera in open court. "I have been known to shout back at him on occasion," he says.

Going back to the tapes, *Veritas* wanted to know what Herrera

thought of the Channel 4 tape which two electronics experts, Jose Mari Gonzales and Subroto Choudhury, had told the Agrava Board they suspected had been "doctored."

"All I know is that, shortly after the August 21, 1983 assassination, I saw a television program showing soldiers shooting at the prostrate figure of Galman," he states. "Two of the justices distinctly remember seeing that program also. But, in the tape shown to us, that episode was missing. How come?"

There are other "how comes" that Herrera wants to know the answers to. How come the venue of the trial remains in the cramped Sandiganbayan courtroom when the old Senate session hall two floors up in the same building is available? How come, despite the presence of media men at the trial, the coverage seems to be spotty with the Establishment press saying one thing and the so-called alternative press saying another? How come the motion for contempt filed against two *Veritas* staffers was withdrawn while that against Lupino Lazaro, their co-respondent in the same case, was pushed?

Veritas had its own "how come" to ask Herrera. How come rumors persist that key figures involved in the trial of the case were

summoned to Malacañang sometime in January for a supposed "briefing?"

Herrera fields that one cryptically. "There are many rumors floating around," he says noncommittally.

He looks much more youthful than the 60 years he admits to. Perhaps the full head of black hair has something to do with it. Or perhaps it is his unlined face and trim figure. But he is a grandfather six times over. He and his wife, the former Nora Lopez, a faculty member at the Polytechnic University of the Philippines (PUP), have been married for 30 years and have eight children.

When asked about what he is proudest of in his almost 40 years of uninterrupted government service, he does not hesitate. "My association with the late Dr. Paulino J. Garcia," he says. Garcia, first chairman of the National Science Development Board and subsequent Secretary of Health, was a man of unassailable rectitude and integrity, he tells *Veritas*. "I can only hope that I will always live up to the high standards that he taught me."

In the on-going Sandiganbayan trial, where the stakes are high and the public expectations even higher, Herrera will have more than ample opportunity to prove his true worth.

PHILIPPINES

SERIES DETAILS HOW MARCOS MUFFLES PRESS

Cebu City VISAYAN HERALD in English 24-27 Mar 85

[A report on the stifling of the freedom of speech and of the press read by Atty. Reynaldo L. Bagatsing at the National Press Club on February 28, 1985 during the annual convention of Federation of Provincial Press Clubs of the Philippines (FPPCP)]

[24 Mar 85 pp 2, 10]

[Text]

After Martial Law was declared by Marcos in 1972, he appropriated for government use the publications and printing equipment of his critics and even incarcerated them indefinitely for imaginary and trumped-up charges.

Our theme in this annual convention is indeed appropriate and even intriguing. This is so because at present our civil liberties including the freedom of speech and of the press continue to receive beatings from present administration.

In general, it can be stated without contradiction that the administration through dubious maneuverings has succeeded in emasculating the press. Other than the indiscriminate arrests of journalists critical of the Marcos' Regime, the administration under the guise of sequestration and invoking the security of the state has appropriated for its use without just compensation and due process the properties and publications owned by its critics.

The greatest assault on press freedom today is brought about by the monopoly of ownership of the media by the known cronies of the President. At its best, it can be called censorship via ownership.

1984 has been a painful year for crusading newspapermen especially for scribes in the rural areas. Violence in the form of salvaging has ended the careers of at least 8 journalists and has deterred others from pursuing their crusading works.

Heading the list of casualties for 1984 was Geoffrey Siao, a columnist and a radio commentator in Cebu City. He was killed by an unknown gunman on March 2, 1984 shortly after he denounced military atrocities in his city.

Seven days after the killing of Geoffrey Siao came the shocking and diabolical murder of Florante de Castro, a lawyer and fiery commentator of DXCP in Gen. Santos City. After denouncing graft and corruption and military atrocities in Gen. Santos City he was murdered in his (own)

nouse while having breakfast with his family on March 9, 1984. His wife witnessed his gruesome killing.

On September 23, 1984, Jacobo Amatong, publisher of Mindanao Observer was killed with his lawyer friend Zorro Aguilar in barangay Miputak, Quezon Avenue, Dipolog City. Amatong and Aguilar were vocal in denouncing the atrocities of the police and the military in Mindanao. In his Ante Mortem statement, Amatong alluded to the military as his assailants.

On October 4, 1984, Mike Alejandrino a reporter for the economic monitor was killed in a gun battle by government troops after he was suspected of being a member of HMB. At the time of the alleged encounter with the military, Alejandrino according to a witness was in the company of armed men looking for the assailants of his brother who was earlier killed in the same area.

On October 19, 1984, Alexander Orcullo, editor of midweek and managing editor of Mindanao currents was murdered in Davao City by seven (7) armed men connected with the para-military unit (PLD) in Davao headed by a certain Kapitan Inngo.

On December 28, 1984, Vicente Villordon of Cebu who aired his program "Labor Patrol" at DYLA was killed by an unknown gunman.

On November 19, 1984, Walter Sisbrenio, a reporter in Camarines Sur for handiong weekly was killed by a certain Sgt. Boy Muslim. Earlier, he denounced the extortion activities of the military in his area.

On September 26, 1983, Rommel Corro the publisher of the Philippine Times has issued a PDA for allegedly maligning the military in his newspaper. Corro was detained for thirteen (13) months after he blamed the military for the killing of Benigno Aquino, Jr. ironically, the Agrava Board likewise concluded that a military conspiracy was present in the killing of Sen. Benigno Aquino, Jr.

On August, 1984, Pablo Mangulaban a veteran radio commentator was ordered arrested by the President for his alleged involvement in a kidnapping case which ironically he himself solved. Mangulaban and Corro were recently ordered released by the supreme court on the basis of habeas corpus cases filed by their lawyers.

[25 Mar 85 pp 2, 10]

[Text]

Lately, a certain Tim Olivarez a reported of Tempo, a daily publication disappeared after he wrote a series of articles about smuggling activities in Northern Luzon.

Last February 6, 1985, a certain Rev. Jose Oblas the editor of Vox Bicol a community newspaper in Camarines Sur was pistol-whipped in the face by a certain Lt. Col. Miguel Reyes due to a traffic altercation. When Oblas filed his complaint at the police nobody lifted a finger to identify,

investigate and arrest Lt. Col. Reyes.

Not to be overlooked and forgotten is the killing of Demy Dingcong, a Bulletin Today correspondent who exposed the nefarious schemes of certain officials in Mindanao. Four years after he was killed, his assailants although identified are yet to be arrested and prosecuted. Worst, the suspected mastermind is openly applying pressure in order to whitewash the complaint of his wife.

After Dingcong's death, his wife pleaded to the management of Bulletin Today for his son to be given a job. Her wish was granted. Several months after her son was employed at the Bulletin Today he disappeared with an accountability of P200,000. He left a note apologizing to his employer and for having taken the money which he alleged he will use in order to avenge the death of his father.

Lamentably, most of the cases involving the killing of community newspapermen remain unresolved up to this writing.

In addition to the above killing, incarceration and harassments, there are many journalists who were prosecuted for libel cases and sued for damages on the basis of stories they have written which were critical to the policies of administration. These cases were compiled by the national press club and published in a book entitled: "Press Under Siege." Libel cases cited include the following:

1. The We Forum case that arose from an article written by Bonifacio Gillego, questioning the war medals of president Marcos. As a result of this case, the We Forum's office and publication was closed and its printing equipment seized by the government.

2. A libel case filed against Ma. Ceres P. Doyo for having written "Forty years after the fall, Batasan is again under siege." This article underscored the military atrocities and the indiscriminate raids and looting of houses and effects of cultural minorities in northern Luzon. Brig. Gen. Artemio Tadiar filed a 10-million damage suit against Ceres Doyo and Panorama editor Domini Torrevillas Suarez. The complain alleged that Doyo recklessly trifled Tadiar's honor, reputation and integrity as an officer of the AFP. As claimed by the AFP, the ar-

ticle contained malicious, seditious and scurrilous libel.

3. Libel case filed against Jo-ann O. Maglipon in connection with the article she wrote entitled: "nothing is left but charred remains and the skeleton of a village" published by Philippine Panorama on July 4, 1982.

4. Libel case filed against Ruben Alabastro when he wrote an article entitled: "Marcos acts to revive Aquino probe." This article was dispatched by the associated press to its outlets on October 12, 1983. A libel case was filed by Kerima Polotan Tavera on November 8 1983 against Alabastro and David Briscoe.

5. Libel case filed against Tente U. Quintero in connection with his article entitled: "Trouble spot: Leyte — tampered returns at Leyte COA office?" published by Mr. and Ms. on May 25, 1984.

6. A libel case filed against Ma. Ceres P. Doyo in connection with her article entitled: "To those who knew him well, Zacarias Agatep was just a priest who loved much and cared deeply." Published by Philippine Panorama on November 14, 1982. On January 29, 1983, Brig. Gen. Victorino Azada of the first regional command announced, through AFP spokesman Col. Reynaldo Wyco, announced that a complaint for scurrilous libel will be filed against Ceres Doyo and Panorama editor Domini-Torrevillas Suarez.

"Azada charged that Doyo's article on slain rebel-priest Fr. Zacarias Agatep "glamorized an acknowledged enemy of the government and put the military authorities in a bad light by casting aspersions and apprehension on the circumstances surrounding the

encounter between the constabulary and the New People's Army where Agatep was killed." (Bulletin Today, Jan. 30, 1983).

"Doyo was interrogated earlier in December 1982 by military special commission no. 2 for the article and other articles she has written."

The libel suit was never filed.

[26 Mar 85 pp 2, 10]

[Text] 7. A libel case against Lorna Kalaw Tirol in connection with the article she wrote entitled: "In this Catholic country, is it being subversive to live out Christ's gospel" published by Philippine Panorama on Nov. 21, 1982.

"On January 29, 1983, AFP Spokesman Col. Reynaldo Wycoco announced that charges of scurrilous libel would be filed against Panorama staffer Lorna Kalaw-Tirol and editor Domini Torre Villas Suarez for the above article. The complainant Brig. Gen. Salvador Mison of the Eastern Command, said that Tirol's article "blamed the military for acts of atrocities on the church in the Samar provinces." (Bulletin Today, Jan. 30, 1983)

"Cited was the portion that read: 'The people had been terrorized by two months of military operations, and that the head of one dead man was displayed in the poblacion, 34 ears attached to it, dead people were brought to the centers tied a pole and then dumped into a pit.'"

The complainants charged that "Mrs. Tirol, in complete contempt of the military authorities led by General Mison, said that the military's dumps into the waste basket the complaints about military abuses."

Tirol along with Suarez was among the women journalist interrogated by military special commission No. 2 in December 1982 for the article.

The case was never filed.

8. "A libel case filed against Sheila S. Coronel in connection with the article she wrote entitled: "Who killed Bobby de la Paz?" Published by Philippine Panorama on December 12, 1982. On January 29, 1983, Brig. Gen. Salvador Mison of the Eastern Command announced through AFP spokesman Col. Reynaldo Wycoco that charges of scurrilous libel would be brought against Panorama staffer Sheila Coronel and editor Domini Torre Villas Suarez for the article. The complainant charged that Coronel's article "questioned the Eascom pronouncement the New People's Army was responsible for the murder of Bobby de la Paz." (Bulletin Today, Jan. 30, 1983). They cited that portion in the article which said that the Eascom "never conducted any thorough investigation of the case" and that there "were circumstantial evidence that point to the military's involvement in the slaying."

General Mison also charged that Coronel "quoted from a leftist group publication, without verifying from the local military and police authorities on the progress of the actual investigation."

The case was never filed.

9. "A libel case filed against Isidoro Chammag in connection with the article he wrote entitled: "Terror reigns in Abra: Pregnant woman, 2 other killed"

published by Bulletin Today on May 18, 1983. Libel suits totaling P20-million were filed before the Manila City Fiscal's office against Bulletin Today correspondent Isidoro S. Chammag and a certain John Doe in connection with the article."

"The complaint was filed by Col. Evaristo S. Ranot, commander of the Abra constabulary integrated national police command in Camp Vallamos, Bangued, Abra; Col. Geronimo Ambrocio Beredo, and 1st Lt. Renier A. Luboa, and 1st Lt. Juanto Poycan."

The five cited Chammag's article which they claimed was "malicious, false and unfounded."

"The five officers said that article brought them into bad light and unfavorable image before their military superiors."

"The story, the complainants alleged, imputed the commission by the military of the crimes of multiple murder arson, robbery-in-band, and malicious mischief. This rendered them into public contempt, disrepute, hatred, and dishonor "in particular to the people of Abra province" they claimed, adding that the report has greatly prejudiced their chances for promotion and future assignments in the military."

"Bulletin Today editor Ben F. Rodriguez was forcibly retired as

a consequence of the publication of this story."

10. A libel case filed against Ricky Mendoza in connection with the article he wrote entitled: "Comelec's 'lost command' works 'miracle' in Cebu" published by Mr. and Ms. June 15, 1984. The complaint for criminal libel against Mr. and Ms. Editor Publisher Eugenia D. Apostol, correspondent Ricky Mendoza and Casimiro Madarang, Jr. for this article is similar to the Tacloban case filed by Commission on Audit Chairman Francisco Tantuico. Both cases involve the May 14, 1984 elections — a matter of public interest.

"Complainant is Arturo Lopez who resides in project 2, Quezon City, but who filed the case in the fiscal's office of Cebu City. One million pesos for moral damages is being asked."

11. A libel case filed against Mauro R. Avena in connection with the article he wrote entitled: "Is the Agrava Board afraid to know the truth?" published by Philippine Panorama on July 1, 1984. Published in the July 1 issue of Panorama, Sunday magazine of Bulletin Today, this interview by Mauro Avena occasioned two of the most expensive libel suits in the history of Philippine Journalism.

[27 Mar 85 pp 2, 10]

[Text]

"The first suit seeking P120-million in damages was filed by Ambassador-At-Large Eduardo Cojuangco, Jr. on July 25, 1984 before Manila City Fiscal Jose Flaminiano's office."

"The second suit, filed by Gen. Fabian C. Ver, chief of staff of the Armed Forces of the Philippines, before Quezon City Fiscal Sergio Apostol's office, on July 16, 1984, seeks P100-million in damages."

"Named respondents in both suits are: Mauro Avena, author; Domini T. Suarez, Panorama editor; Mariano B. Quimson, Jr. Bulletin publisher; and Atty. Lupino Lazaro, lawyer for the Galman family in the Agrava board investigation of the Aquino assassination."

"Ambassador Cojuangco's complaint states that "the aforesaid malicious statements which are highly offensive to my honor,

dignity, integrity and reputation. Expose me and continue to expose me to public hatred, contempt and ridicule."

"It also states that his affidavit was executed to charge the following persons "who are individually liable and/or have conspired and confederated with each other with gross and evident bad faith in the malicious publication of the aforesaid libelous article, of the offensive of libel..."

"Gen. Ver's complaint states that "said article by Mauro R. Avena in its entirety is seditious and extremely injurious to my person, my military career and to my family because it imputes and attributes to me the crimes of murder, salvaging, coercion, obstructing justice, suppressing evidence intimidating witnesses, violation of human rights, and other crimes and, places me and my family before public hatred, contempt and obloquy" "that Mr. Dominio T. Suarez, editor of Panorama, conspired and confederated with Mr. Mauro R. Avena and Atty. Lupino Lazaro and mutually assisted each other in the publication of said scurrilous and libelous article in Bulletin Today which as a result thereof, create cleavage and dissension and alienate the respect and affection of the officers' corps, the enlisted personnel, the civilian employees of the Armed Forces of the Philippines, the civilian population, and other government employees who could and/or might have read said article and more particularly, to destroy and ruin my reputation and integrity as chief of staff of the Armed Forces of the Philippines."

Status: Pending in the Q.C. Fiscal's Office (Ver case); and Manila City Fiscal's office (Conjuangco case).

In addition to this, we must also bring into light the existence of laws which are inconsistent

with the exercise of the freedom of speech & of the press. I refer to the following laws:

1. P.D. 1834, Sec. 7 — There is hereby added to chapter one of the title III of the revised penal code, art. 142 — B to be inserted after Art. 142-A which shall read as follows:

"Art. 142-B. x-x-x — The penalty of reclusion perpetua to death shall be imposed upon any person who having control and management of printing, broadcast or television facilities or any form of mass communication shall use or allow the use of such facilities for the purpose of mounting sustained propaganda assaults against the government or any of its duly constituted authorities which tend to destabilize the government or undermine or destroy the faith and loyalty of the citizenry thereto x-x-x-x-x"

2. P.D. 1835 — Entitled codifying the various laws on anti-subversion and increasing the penalties for membership in subversive organizations.

Sec. 6 The following acts shall constitute Prima-Facie evidence of membership in any subversive associations:

(H) Preparing documents, pamphlets, leaflets, books, or any other type of publications to promote the objectives and purposes of such association or organization;

In addition to the above decrees, there are pertinent provisions of the revised penal code that must be carefully assessed and evaluated if only to cushion the impact on press freedom.

A tall order for our legislators is the review and assessment of:

Art. 118. Inciting to war or giving motives of reprisals. — Any private individual who by unlawful or unauthorized acts provokes or gives occasion for war involving or liable to involve the Philippines or exposes Filipino citi-

zens to reprisals on their person or property;

Art. 138. Inciting to rebellion or insurrection — Any person who, without taking arms or being in open hostility against the government, shall incite others to the execution of any acts specified in Art. 134 of this code (by rising publicly or taking arms against the government of its law) by means of speeches, proclamations, writings, emblems, banners or other representations tending to the same end.

Art. 142. Inciting to sedition — Any person who, without taking any direct part in crime of sedition, should incite others to the accomplishment of any of the acts which constitute sedition, by means of speeches, proclamations, writings, emblems, etc. or upon any person who shall utter seditious words or speeches, write, publish, or circulate scurrilous libels against the government, or which tend to instigate others to Cabal and meet together for unlawful purposes, or which suggest or incite rebellious conspiracies or riots, or which tend to stir up the people against the unlawful authorities or disturb the peace of the community, etc.

3. Art. 154 unlawful use of means of publication and unlawful utterances — committed by any person:

1. Who, by means of printing, lithography, or any other means of publication shall publish or cause to be published as news, any false news which may endanger the public order, or cause damage to the interest or credit of the state;

2. Who, by the same means, or by words, utterances or speeches, shall encourage disobedience to the law or to the constituted authorities or praise, justify, or extend any act furnished by law;

3. Who shall maliciously publish or cause to be published any official resolution or document without proper authority, or before they have been published officially; or

4. Who shall print, publish, or distribute or cause to be printed, published, or distributed books, pamphlets, periodicals, or leaflets which do not bear the real printer's name, or which are classified as anonymous.

Despite the threats and perils that confront us in the pursuit of our undying commitment to free press, we must continue our crusade for the sake of our people. As mediemen, we must endeavor to inform, inspire and cajole our people to pursue the line of truth for the sake of public enlightenment. A well informed people can interact intelligently with the government, thus bringing about a desirable symbiosis between the government and the governed.

We must carry on the crusade of press freedom, for a healthy press is indispensable to the existence of a healthy nation.

Our government must take note that the real casualty of the repression of press freedom is the truth itself. In closing, let me share with you the thoughts of a newspaper editor Julian Harris when he wrote and I quote:

"There has never been a time when an editor with purpose could accomplish more for his country than just at present xxx no one can take freedom of speech from you except yourselves. If you remain silent today, on vital matters and leave questions, tomorrow you will not know how to speak. By your failure to use freedom, you will have slain it. And when freedom of speech dies, liberty of conscience will succumb. And another civilization will have gone to its grave."

Note: The author is the executive committee chairman of the Federation of Provincial Press Clubs of the Philippines (FPPCP) and the lawyer for beleaguered journalists affiliated with the federation. He is also the president of the Association of Commentators and Announcers of the Philippines (AKAP) and a regular columnist for the Guardian, Manila hotline and Visayan Herald.

CSO: 4200/908

PHILIPPINES

CPP LEGALIZATION, ROLE IN STRUGGLE ANALYZED

Baguio City THE GOLD ORE in English 23 Mar 85 p 6

["Turning Point" column by Benjamin Salvosa: "The Strife for Power"; column begins with the following quotation: "He is the best of men who dislikes Power. Mohammed--"]

[Excerpt]

IF MAN is born to seek power, it won't be easy to find one who dislikes it. This is shown in our synthesis "Power And Counterpower."

The strife for power is implied in the letter of the grandchildren of General Vicente Lim to the PMA graduates last Friday: *Having made the Army your career, striving to be successful in your chosen career could make you an "accessory" to dishonorable action serving the interest of those who oppress the Filipino people, against the very people whom you have sworn to defend with your life.*

On the eve of the 88th anniversary of AFP, PMA class topnotcher Manuel Gaerlan was quoted by *Business Day*: "I foresee a difficult life in the military because of its image. We will not only be starting from zero but from negative."

The statement was made on the same day *Veritas* published the news that contrary to government reports, rebel priest Conrado Balweg "remains unscathed" and it was 2nd Lt. Agustin Cananua who was wounded during the recent military encounter between elements of Alpha Company and five NPA regulars.

Understandably parents of PMA graduates are concerned about

"the inevitability of death for those going out to the battlefields for the government's counter-insurgency drive.

"We give ourselves three to six months to live," one cadet said.

In the past several weeks, the cadets said, they received extensive anti-insurgency training.

Most cadets, however, are wary about giving opinions on such topics as the present military leadership, the reinstatement of General Fabian Ver as Armed Forces Chief of Staff, or the present national leadership.

One of them even asked *Business Day* whether a clearance had been obtained from higher authorities to ask these questions. Others just refused to answer.

Significantly, some graduating students in Baguio are trying to identify the factors that explain how the political elites acquire, maintain and lose their status in the society.

APPARATUS OF POWER

"WHOEVER runs in the KBL will need my help," said Imelda Romualdez Marcos. She was the "secret weapon" of her husband in the 1965 election and he credited

her for his reelection in 1969. Today the consensus is the First Lady has the entire apparatus of power in her hands.

"Out of 1,515 (city and town mayors) the opposition has only 20," said Imelda. "The 240,000 elected barangay officials are mostly KBL. The KBL also controls two-thirds of the Batasan seats. With that kind of majority I think it's quite a formidable party. It will become even stronger. It will be much more committed to working for what the party stands for, and the program of government."

We know KBL has the grassroots political machine in 21,000 citizen's assemblies with 290,000 barangay captains.

The barangay is not the restoration of an ancient political institution but the basis of a new institution whose origins are indigenous to our race, according to Marcos. It is used mainly as political icing on the authoritarian cake, argued Dr. Jose Rocamora, Ph.D in political science and Asia Studies from Cornell University.

To win the 1987 presidential election, 46 of the 47 registered political parties and the Communist Party must unite to defeat a majority of 72 provincial governors, 60 city mayors and most of the town mayors, vice mayors and Kagawads who are Marcos loyalists.

It could be that the turning point in the history of our political system was when Ferdinand and Imelda got married in Baguio on May 1, 1954.

COUNTER POWER

DESPITE the legal quibbling between the administration and the opposition, the simple fact is that the present Communist Party of the Philippines (CPP), together with the New People's Army (NPA), is illegal; hence the proposal in opposition circles to legalize the CPP is proper and cannot be waved away

through the clarification of policy by Marcos, said Diosdado Macapagal.

Macapagal disclosed that a member of the parliament of India, Senator George Fernandez, who visited the Philippines last year and managed to talk to CPP top leaders reported the latter as having expressed assurance that they were "prepared to abandon armed actions if the Marcos government were to revoke the legal ban imposed on the party."

Apart from this indication, it is a fact that quite a number of communist parties in Europe and elsewhere have foresworn violence and have been participating peacefully in their countries' elections. Moreover, many NPAs are not communists but citizens aggrieved by injustice and abuse.

It is doubtful that the CPP will ever succumb to the temptation of legalization, says Armando S. Malay, Jr., assistant professor at the UP Asian Center who is completing his doctoral thesis on Maoism in the Philippines.

Other researchers confirmed the following Malay findings:

The young Maoists who founded the CPP in 1968 broke away from the Moscow-leaning Partido Komunista ng Pilipinas (PKP) to seize political power through a "people's war", according to revolutionary theories developed by Mao Tse-tung.

By that time, the PKP which led the Huk rebellion in Central Luzon from 1945 to 1953 had switched to a "gradualist" policy. A "political settlement" with the administration in 1974 enabled the PKP to operate legally, but did not fulfill its hopes of helping shape national policies.

The Maoists called this arrangement a "surrender." The issue, which emphasizes the "legal struggle" or the "armed struggle" has embittered relations between the two Marxist groups since then.

For the CPP to legalize would in effect be to surrender the strategic initiative the party seized by distancing itself from the gradualist approach of the PKP.

It would be problematic to have two rival parties (the CPP and the PKP), both recognized as legal, competing.

It is the party itself that will avoid, by all means, being trapped, as their document would say. When the idea of legalizing the party was floated in 1970, the CPP issued at once a statement warning against the trap that legalization would present.

The CPP does carry out above ground activities through its various "united-front" organizations it dominates. The main grouping is the National Democratic Front.

The formation of a united front where real representatives from forces other than those of the CPP are represented has not come about because of a "visible desire of the CPP to exercise hegemony on the left."

This stance tends to shut out other forces who may be willing to join the united front. The Maoist influence is the predominant factor accounting for this attitude.

Other recent studies cite more reasons why the young Maoists decided to sever ties with the PKP. One of these is their renunciation of the PKP's view recognizing some progressive points in government programs.

Another focuses on the so-called "center of gravity". Some leaders of the PKP no longer consider the countryside as a major staging point for an armed struggle, a key deviation from the Maoist dictum of "surrounding the city through the countryside."

A F P

LT. GEN. FIDEL V. RAMOS Acting Chief of Staff, admitted that the communist underground movement is definitely bigger now than

what it was in the 1950s. But he affirmed:

AFP is today much more capable of coping with the problem.

The counter-insurgency effort has been enhanced by the government's P1-billion civic action program and integrated security plan for towns and cities.

These measures coupled with the internal improvement efforts of the AFP have strengthened the nation's anti-insurgency posture.

The AFP has been able to take the proper counter-measures not only in military terms, but also in terms of getting the private sector and civil agencies of the government to take a hand in support of the effort.

Apart from gaining ground in the fight against the Communist Party of the Philippines and its military arm, the New People's Army, the AFP has also been able to defeat the secessionist movement launched by the Moro National Liberation Front.

While there are still sporadic skirmishes and confrontations with the MNLF, their capability to wage large scale attacks, as well as control sizeable portions of the population and terrain, as was the case in some parts of Mindanao during their heyday in 1975 and 1976 is now over.

And while they continued to perpetuate terrorist acts against the population, such as kidnappings, ambushes, and raids on far-flung settlements and small military or police detachments, they have not been able to win back any of their lost mass base nor significantly influence the trend of events in Southern Philippines.

Earlier the military acknowledged that 1,820 barangays, most of them in Mindanao, are now under the influence of the Communist Party of the Philippines and its military arm, the New People's Army.

But Ramos was explicit the insurgency problem remains "very much under control."

PHILIPPINES

ARTICLE DETAILS LIFE OF WOMAN GUERRILLA IN NPA

Cebu City VISAYAN HERALD in English 30-31 Mar 85

[Article by Philippine News and Features: "Women Guerrillas Enjoy No Special Privileges"]

[Text]

SOMEWHERE IN THE VISAYAS (PNF) When the poor peasants in the harsh Igang (limestone rock) mountain interior first saw (Ka Comrade) Delia with the male members of her NPA squad, they stared at her feet and murmured among themselves that she wouldn't last a week in her task as a fulltime NPA guerrilla.

Ka Delia was wearing a pair of shoes.

Well, she has long ago discarded her shoes, and replaced them with the usual rubber sandals — and she has stayed on with her squad for a year and a half now.

Ka Delia, 23 years old, is one of several female youth activists promoted to fulltime status in the New People's Army after several years of work as member of a Propaganda Organizing Team and the local people's militia. This promotion is in keeping with the NPA regional military command's program to provide women activists with wider roles.

Each of the women guerrillas was assigned to an otherwise all-male NPA squad. These squads were then assigned to a newly opened guerrilla front. The women "Red fighters" were issued Garand or M-16 rifles, far stronger weapons than the pugkhang

(home-made long-barrelled guns) they carried during their people's militia days.

Ka Delia recalls her first long trek for twelve nights through the rugged Igang, wide rivers and blade-sharp hagonoy (a wild shrub with medicinal properties), crouching through extensive mountain areas which lumber concessions have denuded of kamagong trees. She steeled herself against thirst, hunger, cold and drowsiness, and the creeping loneliness of being away from her parents and brothers for the first time.

In the new guerrilla front, according to the NPA, PC (Philippine Constabulary) troopers roamed around freely, shooting innocent farmers, raping women, stealing the people's belongings and destroying their means of livelihood. Ka Delia's squad was often merged with one or two other squads to conduct ambushes on such troopers, as well as on paramilitary outfits, spies and local "bad elements."

It was while resting miles away from the site of a successful ambush that Ka Delia almost lost her life. Alone in a well to wash off blood from captured enemy uniforms while the rest of the

platoon were resting atop a nearby cogon-covered hill, she was surprised by the sudden arrival of some PC troopers, obviously reinforcements called to pursue the retreating NPA ambushers. Before any trooper could come near her, she was able to thrust the uniforms down the bottom of the shallow well, and

then pretended to be a relative of a local peasant. When the NPAs alerted, started firing, the Constabulary troopers were momentarily caught off-guard, and she seized the opportunity to run as fast as she could towards the broad cogon-covered hills, crouching all the way to the designated post, several hours late and given up for dead.

[31 Mar 85 p 2]

[Text]

As a Political Officer in her squad, Ka Delia leads political discussion sessions meant to raise the ideological and political level of her squad members. They also discuss problems, including personal ones, and work for their solution.

She does not use her gender for special considerations. She makes her own kalapaw (temporary bed made of tree branches) whenever they are in a camp, and goes through the daily schedule of woodgathering, sentinel work, cooking, military training, etc. She keeps in step with the others whenever they are on long marches.

When among the NPA guerrillas in the camp or with organized peasants in the guerrilla front, she enlivens meetings by singing revolutionary songs based on the popular *composo* form, with accompanying mime gestures or dance steps.

Her fiancé, a member of the people's militia team whose membership in the Communist Party formalized their relationship before she was assigned to her present task, has recently been promoted to fulltime status in the

NPA. While Ka Delia looks forward to their being together in the same squad, the mere fact that both of them are working for the revolution brings a warm glow on her roundish fair face.

Her parents are rich peasants who are active in the mass organizations in their barrio. Nevertheless, her mother, through occasional letters, keeps on begging her to leave her NPA unit and resume her civilian role as an activist in their barrio. Like most old folk steeped in feudal ways, her mother regards military work solely as a man's duty.

For her part, Ka Delia is intent on improving her skill in military work and does not entertain any plan to transfer to a lighter *hilikutan* (task).

Her knapsack secure on her back, her M-16 on her shoulder, she falls into step with her squad members in the harsh *igang* terrain. Passing by a hut, an organized peasant would wave a hand in greeting or run to her to slip a fruit in season into her hand. That may well be a token of what remains to be the special privilege she enjoys over her malt comrades.

PHILIPPINES

VERITAS PROFILES ILIGAN MILITIA LEADER'S CULT

Quezon City VERITAS in English 31 Mar 85 p 12

[Article by T. R. Lansner]

[Text]

NENE Butok stroked the steel amulet hanging on his chest as he walked ahead of a gaggle of militiamen in the late afternoon light towards the sea.

"I have had a vision from God," he confided in low tones, "I have had a vision from God of where to find the NPA's."

Butok glanced back at his group of followers straggling towards him. Dressed in new green fatigues, they carried a variety of American-made weapons of World War II, or earlier, vintage. After six days of military instruction, they were that night set to follow Nene Butok's vision into the nearby hills to search for guerillas of the communist New People's Army.

"We have not trained them to march," Butok apologized with a gap-toothed smile for the group's haphazard formation. "We have only trained them to kill."

The forested hills above Manticao, a sleepy seaside village near Iligan City in northwestern Mindanao, are a refuge for guerillas fighting the regime of President Ferdinand Marcos. Occasional forays by regular troops only temporarily disrupt rebel operations. An expansion of local militias is now underway in many areas of Mindanao, in hopes of keeping the communist guerillas permanently off balance.

Forty-four year old Nene Butok — preacher, faith healer, receiver of visions and dispenser of *anting-anting* (amulets) came to Manticao a year ago from a village a hundred miles to the east. His teachings, and reputed prowess as a healer, have won him over 200 adult followers in his new home. He has brought about 60 of them into the Manticao Village Defense Force. Only a few have yet seen action, but his men are convinced they will emerge unscathed from coming battles.

"If you wear this amulet on which is written the 41 holy names of God, in times of trouble the angels surround you and protect you from any dangers," Butok explained, but added a sort of statutory warning: "Not all wearers will not get hurt. Only those who meet the severe standards of God will be protected."

The severe standards include not drinking and stopping for prayer at three hour intervals around the clock, each time thrice repeating the Lord's Prayer. Butok himself often retires to the sanctuary of a small room in his wood and thatch home a half mile from Iligan Bay. Here he receives most of his visions, though they might otherwise come in dreams or even daydreams. Here also are kept his sacred books.

"During World War II," Butok

recounted, "one of McArthur's pilots ran out of fuel and crashed into the sea. A Filipino, Hipolito Cabunang, rescued the pilot who later told him, 'I have nothing to give you but this book.'" Cabunang, preaching revelations from the pilot's volume, and exercising healing powers he then developed, gained many disciples! - Nene Butok among them - before he died in 1973.

In Butok's seat compound surrounded by coconut palms, banana trees, and tropical flowers, militiamen lounged and children stopped scurrying about to gape at the visitors. Butok disappeared into his darkened sanctuary after agreeing to show his sacred texts. Emerging through a low door, he remained slightly stooped, in priestly deference to the holy words he held forth on open palms.

"The Sixth and Seventh Books of Moses, or Moses Magical Spirit Art" is said to be the book McArthur's pilot conferred in thanksgiving to Hipolito Cabunang 40 years ago, though this was not the original. This copy, and its companion, "The Mysteries of the Long Lost 8th, 9th and 10th Books of Moses" were ordered from Israel sometime around 1956," Butok explained.

Authorized versions of the Bible contain five books of Moses. The cheaply printed volumes reverentially offered for inspection were scrambles of totems, talismans, legends, and magic spells concocted as Moses' suppressed revelations. Hebrew and other scripts were printed on pictures meant to be symbolic of special powers. For the true believer, they would be translated to genuine effect.

BUTOK's followers carry photocopies of some of these "books." At the hotel where he is an attendant, 22-year-old Eddie Ramirez pulled from his wallet the five seals he carries. One of abstract design is for good fortune, a second similar seal to prevent quarrels, another with a

picture resembling a crusading knight in armor protection against evils, and two more with stylized pictures of cows to protect the bearer from personal threats and death.

The last three were partially covered in dark stains: "Blood," Ramirez confirmed, "It is the blood of a white dove, but we do not kill the dove."

Ramirez' hotel manager shrugged when asked of the powers of the seals and of the amulet his employee wears: "A while ago, he got into a fight with that waiter. You can see that he is a big strong fellow, but he was immobilized. People believe in amulet-izing, maybe that's enough. Rebels have them, soldiers wear them too."

Ramirez himself has no doubts. "The NPA shoots at us, but none of us can die, and we can subdue them without firing a shot," he said with some pride, but then hesitated, "Well, there was one member who was drinking a lot and not faithful, and he was wounded."

The amulets are cut from stainless steel by one of the faithful under the shelter of a portion of Nene Butok's house which is raised on stilts. They really should be made of gold, several members sighed, if only they could afford it. The design of the amulet itself is taken from the bogus Books Of Moses - Judaic candlesticks, which, Butok insists with self-concealment and grim appreciation of the power inherent in such a talisman, "is the symbol of the Israeli army."

Retired Philippine Army Col. Diosdado Natund is organizing Butok's followers into something like a military force. In Manton's municipal office, he sat in a chair vacated by the Vice-mayor, dressed in sneakers, canary yellow training pants, and a matching shirt. The letters "TENNIS" were partially obscured by green webbing strapped across his chest to hold a .45 caliber pistol holstered under his shoulder.

"I always carry it," he smiled, "even when I go jogging."

For further protection, Col. Ratunil also wears one of Butok's amulets, though he says he is really a member of a mainstream Protestant church. "Nene says this charm he gives his followers can protect against harm, so I guess there is at least no harm in wearing it," and as if to convince himself there might even be good reason, added, "Last week one of the men apprehended an NPA with a gun and a hand grenade just like that -- the guy wasn't able to move."

With Butok's support, the Colonel recruited a large bloc of such men en masse into his Village Defense Force, to defend the area, and help them defend themselves: "Nene and his followers are being hunted by the NPA because they believe in God and the NPA's don't," the Colonel claimed.

Across Mindanao, other militias are receiving weapons and training from the government. Some are Christian charismatic groups (there are reportedly fighting followers of the 6th-10th Books of Moses in a few other areas) and others ex-Muslim rebels. Their common task is stemming NPA inroads in their localities, though they sometimes turn on each other. The plan makes sense militarily -- counter-insurgency cannot succeed without local support -- but reliance on fanatics is bound to bring other problems.

"God shall not fail those who bring the sword to defend the laws of the land," Nene Butok proclaimed, "Killing and murder are different. We have the power from God to kill the enemies of the government."

In the twilight, Butok and a half dozen of his ill-trained believers shambled off to link up with Col. Ratunil and other militiamen and begin their night's hunt for a dangerous, elusive, and well-trained enemy. Nene Butok's vision of where to find them, if his God be merciful, was probably a false one.

PHILIPPINES

LAGUNA PRESENTS PROBLEM FOR KBL IN UPCOMING POLLS

Quezon City VERITAS in English 24 Mar 85 pp 10, 11

[Article by Chit L. Macapagal: "Rocking the KBL Boat in Laguna"]

[Text]

THE SLEEPING goddess of Laguna, Mariang Makiling, peacefully rests on a dormant volcano. It could have been an active one, possibly more dangerous than Mayon, some elderly residents say, but the anger something inside releases itself through hundreds of hot springs dotting the northern side of Mt. Makiling.

Laguna is very much like its mountain. Peaceful but not timid. Non-violent but never cowed.

The province has always been "opposition country" ever since the time of President Quezon. Lagunenses remember electing into office two *Sakdalistas* (members of an armed group which resisted American colonization) as provincial representatives to the national government. They recall how, in some of Laguna's towns, opposition candidates have always won: Aglipay, Osmeña, even Alejo Santos over Marcos in the 1981 presidential elections.

Lagunenses also have

a soft spot for the underdog. People are still talking about how, in the last local elections, the Nacionalista Party candidate of one town won over the logistically superior KBL candidate precisely because of his underdog image. The KBL man was actually ahead already, the people say, but a few weeks before election day, the KBL attempted to disqualify the NP candidate on a charge of turncoatism. He not only won handily as mayor but he carried his entire slate to a sweeping victory.

Provincial politicians know only too well that local sentiments predictably lean towards he who stands up against power. It was not too much of a surprise therefore when the province's longest-staying governor, Feliciano T. San Luis, severed his ties April of last year with the President's party, campaigned for his own separate set of candidates in the '83 Batasan elections, and is currently

fielding his own men for the coming '86 local elections.

This has polarized the KBL in Laguna. The party, since then, has had to distinguish between the KBL-Yulo group (for MP Luis A. Yulo) and the KBL-San Luis group.

"I cannot stomach anymore what they are doing," San Luis told Veritas, his voice rising perceptibly. Then, on a more even key, he recalled what he said were his "painful political years."

"They made me a second class citizen of Laguna," he said, explaining that, in 1981, barangay captains from Biñan, Sta. Rosa and Cabuyao were relieved "for no cause at all" by the President upon the recommendation of Yulo. He felt by-passed since he had not been consulted on such a major political move.

He also mentioned being peremptorily ousted as chairman of the Regional Development Council (RDC), probably, he thinks, because "I fought and

blocked". efforts to divert its funds. He still remembers the embarrassment of being given the relief orders while conducting a council meeting and "in front of the entire central committee" at that.

San Luis knew that Yulo had wanted him out of his office even before all these developments. "As early as March 28, 1976," he said, "the wife of Yulo already wrote the President asking him to release me as governor of Laguna." In 1983, he continued, Mrs. Marcos asked him to resign "if I know how to be a practical politician."

"I cannot take this kind of treatment anymore," he said bitterly.

PROVINCIAL political observers say the Yulo group wants to install the incumbent vice-governor, Rodolfo Tingzon, in the gubernatorial chair. A native Visayan, Tingzon has since become a Laguna resident because he works for the Yulos at the Canlubang Sugar Estate.

Younger than San Luis by many years, Tingzon did not mince words when talking about his political opponent. "People have grown tired of his (San Luis) rhetoric, oratory, promises and political shenanigans. He was able to beguile the people with promises before, but that is no longer true now. The voters have wised up to him. They want a change of leadership."

He said the basic difference between Yulo and San Luis lies in the "utilization of political power." He explained:

"San Luis is more interested in perpetuating himself. He is obsessed with the office of governor and feels the position is his own personal property."

He said San Luis twists the facts and uses them as political issues. The relief of the barangay captains, for instance, he says, was legitimate. The officials were removed because of various cases of graft and corruption. But he adds, the investigation was not finished since the '82 elections caught up with it.

The KBL frowned on San Luis' independent stance and considered this an affront to party policies. "When he attended the National Unification Convention," Tingzon said, "San Luis virtually expelled himself from the KBL."

But San Luis is wise. He knows he must not officially join any other political party. San Luis would be charged with turncoatism. The repercussions could exclude a presidential order to vacate the governor's office.

"I think he will wait until May or just before the elections before joining the opposition," Tingzon said, saying he couldn't care less since "we" reorganized the party on March 6 and replaced him as chairman of both the provincial and regional chapters of the KBL.

When San Luis openly defied the party last year by organizing his own political group, a few KBLs joined him. Tingzon said that out of Laguna's 29 towns and one city, 21 mayors are identified

with the Yulo group and only nine with San Luis. Five out of these nine, he said, are KBLs. While admitting that out of eight provincial board members, six have gone to the San Luis camp, he said a few have "sent feelers" that they'd like to go back to the Yulo group.

San Luis, meanwhile, says his Pang-masang Samahan sa Laguna — PSL (not Pangkat San Luis as previously reported) is gaining strength. He says he is "highly confident" of complete slates for every town in the coming elections.

Local residents acknowledge that "San Luis is still ahead by a mile" over Tingzon. He is a shrewd politician and has years of experience. But while some have tired of his long tenure, there is, they say, very little choice. In the last Batasan elections, the opposition failed dimly in Laguna. Not only was the machinery weak or absent, the candidates who ran were grossly mismatched with those of the KBL. In Laguna, it seems, it is not the party that matters but the personalities.

Compared to San Luis who has been in politics since 1946 and who has been provincial governor continuously for 26 years, Tito Yulo entered the scene just recently. He was the NP candidate for governor in 1971 but lost to the Liberal Party's San Luis. In 1978, Yulo ran for the Interim Batasang Pambansa and won. That time, both he and San Luis belonged to

the KBL, because all other political parties had been abolished during martial law.

Tito is the scion of the powerful Yulo family in Laguna. They own the Canlubang Sugar Estate, 7,000 hectares of sugarland extending its territorial reach to four other surrounding towns: Calamba, Cabuyao, Sta. Rosa and Biñan.

It's a power base, not just economically but also politically. The loyalty of the residents to the Yulos is given the periodic test during elections when they cohesively support whoever the family's candidates are.

The voting population of Canlubang, according to the Yulo group, is around 27,000. The San Luis camp says it's less, around 21,000, but reports from census people put the number at a low 15,000.

The Canlubang votes, apart from being solid, influence four of the eight towns in Laguna's first district which in turn holds three-fourths of the province's 600,000 voting population. It also embraces Calamba which has the highest voting population of 85,000.

The estate's physical reach to several barangays of these four adjoining towns carries with it the family clout. But it also provides an incessant cause for suspicions of election frauds thrown at the Yulo group specifically as regards the padding of votes and the use of "flying" voters.

SUCH power, and

its abuse whether rumored, exaggerated or true, does not sit well with the Lagunenses. It had generally worked to the group's disadvantages by placing them always on the defensive for it is common to hear provincial residents say, "Mamunalo lang sila kung mandadya." That attitude could also stem from the fact that Tito Yulo is closely associated with Malacatang. His wife, they say, is a very close friend of the First Lady.

Political observers in the province think there will be more defections to the San Luis camp or the other opposition parties as the elections near. The incumbents are not so sure of another victory, it would seem. One mayor has already openly said he would only run with the KBL if he has more than one opponent. If the opposition comes up with only one candidate, he will refuse to fight. Another mayor, they say, has become so disgruntled with the Yulo group that he is seriously considering joining the opposition.

But Tingzon is confident that the 20 of the 21 KBL mayors will run with their group. "I just met them yesterday and they signified their intention to run for re-election," he declared.

Why such connections prove disadvantageous and disastrous at times, only Philippine politics can explain. But it is enough for some "practical politicians" to consider and start distancing themselves from the shadow of Malacatang.

PHILIPPINES

BACALOD BISHOP ON NPA, NEGROS STARVATION

Makati PHILIPPINE INQUIRER in English 25-31 Mar 85 p 14

[Text]

A bishop described by the military as a "coddler of subversives" has revealed that some 400,000 migrant workers in Negros will starve for at least six months this year as soon as the milling season in the sugar-producing province stops.

Msgr. Antonio Fortich, Bacolod City bishop for 18 years, also says that military and New People's Army (NPA) encounters have produced a climate of tension and anxiety in his province where apparently, there are now two governments, one led by President Marcos and the other administered by the NPA, both demanding taxes from the embattled sugar planters.

Fortich estimates the NPA to be about 1,000 armed regulars and says that while the AFP estimates goes only to less than 100 NPAs, the AFP nevertheless keeps increasing the military force in Negros, sending in last month a new battalion.

While the Bishop was saying this to the Makati Business Club, some cronies of the President are battling for control of the associations and agencies tasked with the supervision of the sugar industry.

CSO: 4200/908

3 June 1985

PHILIPPINES

SUMMARY OF INTENSIFYING STRIKE MOVEMENT

Quezon City VERITAS in English 31 Mar 85 p 7

[Text]

AS THE first quarter of the year draws to a close, the strike movement in the Philippines is intensifying with Filipino workers resorting to the more militant means of fighting for their rights.

Valenzuela, a small suburban district north of Manila, has become the "strike capital" of the country as the number of strike-bound factories in the area rose to 24, with more still expected to join the list.

Banking industry employees joined their factory brothers in the picket line when Allied Bank employees in 93 branches launched a coordinated strike early this year, while workers of the Insular Bank of Asia and America (IBAA) staged a work slowdown to protest alleged management union-busting.

At present, 230 workers of Monte de Piedad and Savings Bank, which is 61 per cent owned by the Catholic Church,

are still on strike. The bank allegedly refuses to implement wage increases provided in the Collective Bargaining Agreement.

However, the most recent and still unresolved case is the picket of more than 300 workers of Shoemart Makati branch, one of the biggest department stores in the plush financial district of Manila.

Shoemart workers are fighting for the recognition of their union, the Sandigan ng Manggagawa ng Shoemart (SMS), and against unfair labor practices. Thirty union members have already been terminated, others detained and one almost died when he was allegedly chased and mauled by Shoemart supervisors while distributing union statements.

A company union, the Shoemart Employees Union (SMEU), tried to counter the SMS picket set up last March 16, by holding a "We love SM" rally right beside the other picket.

CSO: 4200/908

PHILIPPINES

GENERAL DESCRIBES CAGAYAN REBEL LOG TAXING EFFORT

Manila BULLETIN TODAY in English 27 Mar 85 p 13

[Article by Pete Mabazza]

[Text]

CAMP MARCELO ADDURU, Cagayan — Subversive terrorists aim to collect P8 million this year "protection money" from loggers, sawmill operators and other businessmen in Cagayan Valley.

This was disclosed by Brig. Gen. Tomas Manlongat, second PC-INP regional commander, to clarify reports that the rebels "have already collected P8 million from loggers last year" in Cagayan Valley.

The rebels expect to collect the P8 million from loggers "through progressive taxes," he said.

Rebels here have been burning logging equipment and sawmills whose operators refused to pay taxes and ransom money to them, he said. They also kidnap logging workers, he added.

He said that the military's recommendation to suspend all logging operations temporarily in the region, especially

in Kalinga-Apayao, aims to deprive the rebels of their main source of funds.

Manlongat, pointed out, however, that logging concessionaires may be allowed to resume operations, subject to their capability to make provisions for their own security.

Documents captured from rebels during encounters and raids indicate that the rebels have been charging staggered fees for every equipment brought in the logging areas in Cagayan and Kalinga Apayao.

The documents showed that the rebels charged P10,000 per Caterpillar bulldozer; P5,000 for Donkey-type bulldozer; P2,000 per crane, log loader, glider and puller; P1,000 per hauling truck and P500 per chain saw.

The rebels also charge 25 to 30 centavos per board foot of felled logs from logging concessionaires, and 15 to 20 centavos per board foot from sub-contractors.

The rebels also collect P75,000 per logging year from each sawmill operator.

CSO: 4200/908

3 June 1985

PHILIPPINES

REPORT ON MARCH 1985 CEBU SHIPPING STRIKE

Cebu City VISAYAN HERALD in English 27 Mar 85 pp 1, 4

[Text]

A compromise has been reached between the management of Sweet Lines Inc. and its employees to call off the strike which began Monday.

Sweet Lines Inc. owns seven vessels and its management claimed that about P400,000 was lost for every ship that did not leave on schedule.

Shortly before the compromise yesterday, three striking crew members were attacked by a group of unidentified men. One of the crew, Rogelio Degamo is in critical condition with multiple stab wounds. Two of companions, Herminigildo Ma-

ngitogit and Oscar Durecho were treated and discharged from hospital.

The attack took place in the pier area at 2:45 p.m.

When other crew members tried to intervene, the armed group fled.

Sweet Lines employees went on strike to dramatize their demands which included the recognition of the National Federation of Labor as their official union. Both management and workers agreed to create a labor relations committee to thresh out problems. Meanwhile, all vessels of the company resumed normal operations last night.

CS0: 4200/908

PHILIPPINES

REVISIONS REPORTED IN AGRO-INDUSTRIAL DEVELOPMENT STRATEGY

Quezon City VERITAS in English 24 Mar 85 pp 22, 23

[Article by Patricia B. Bisda]

[Text]

THE restless farmers and a food shortage looming in the horizon have forced the government to reassess its development plans — more specifically, its blueprint form agro-industrial development. To correct what critics have time and attacked as a case of lopsided development, the government has opted to launch the Balanced Agro-Industrial Development Strategy (BAIDS as spelled out in the Updated Philippine Development Plan (1984-1987). BAIDS is a blueprint calling for an increased interdependence between agriculture and industry. It aims to expand agricultural productivity by hastening agricultural modernization as well as establishing industries which draw inputs from the agricultural sector.

"If properly implemented, the BAIDS would be an answer to the economic recovery," said MP Rogelio M. Sarmiento, who is concu-

rently deputy director-general (DDG) of the National Economic and Development Authority (NEDA).

The BAIDS plan is clearly the most promising path towards economic recovery. MP Sarmiento explained, "It is the only sector (agriculture) which uses very little imported inputs and it is basically labor-intensive."

But the BAIDS does not necessarily mean that the industrialization program would be completely forgotten. As Prime Minister Cesar E.A. Virata explained in one cabinet meeting, "while the main purpose is the efficient exploitation of the country's agricultural resources, the industrial sector will not be ignored but will be rationalized."

The viability of the BAIDS in solving the country's balance of payments problem is evident in the strategy's objectives. These are: — attainment of self-sufficiency in all staple

and basic food items other than rice, corn, pork, poultry, beef, fish, vegetables and legumes, including food ingredients;

expansion of agribased commodity exports (traditional exports: coconut, sugar, banana, pineapple, tobacco, abaca, and new exports: yellow corn, fish products, coffee, cacao, mango, citrus, papaya);

replacement of selected imported food and nonfood agricultural commodity imports (import substitutes: yellow corn, soybeans, cassava and camote as feed ingredient substitutes, cotton and dairy); and

increased production of other crops and agricultural commodities.

Under the BAIDS plan, there will be less government intervention as the role of the private sector is expanded. Government policy will encourage and actively support private sector initiative in all areas of economic endeavors. The government will intervene only when absolutely necessary. Correspondingly, government intervention will be withdrawn in all areas where the private sector is most effective.

More particularly, to ensure that the private sector would remain at the helm of the BAIDS, a new set of basic principles would serve as a guide to minimize government intervention.

First and foremost is lessening government involvement in direct market price intervention.

This means that the government will refrain from the setting up of price ceilings.

Also, whatever intervention the government may take should facilitate rather than regular farmers' activities. This time, government involvement will be mainly geared toward research and development; extension and provision of marketing information and services; and financial and infrastructure support.

MP Sarmiento also shared his insights on the agro-industrial development program of the government.

He said, "If I am a businessman, first of all, I have to believe that the government is serious in the agro-industrial development program. If it is serious and I belong to the private sector, then I would be willing to place my money there."

He continued, "Every policy that the government comes up with must be a policy which strengthens existing policies. You cannot say that agri-business is the answer to the problem if one of the measures taken by the government to show that it is serious in pursuing a policy of agricultural modernization in the next five years of the plan period is deregulation or taking out of price control. But then you take out all the controls, but you leave one, then practically all the others become meaningless."

The exception which Sarmiento is referring to is of course the price ceiling on rice. For him,

there has to be no exception. He suggested that if the government wants rice to remain at a low price, then the country should import. In short, the price of rice should be controlled by supply and not by legislation.

THERE are however, a number of improvements on the BAIDS plan which can be answered by legislation. One involves encouraging the private sector to get involved in agri-business through additional incentives.

MP Sarmiento recently filed a bill at the Batasang Pambansa proposing for additional incentives to individuals and corporations engaged in agri-business.

In explaining his bill, Sarmiento centered on the small manufacturer. He said that the small exporters rarely get the benefits which the government normally likes an exporter to receive. He attributed this to the bureaucratic process of availment in the Board of Investment (BOI).

He continued, "I think that the best way to let everybody know that we want foreign exchange is to make a simple incentive." He cited as an example a manufacturer of baguette somewhere in Zamboanga. He explained, "If I were the manufacturer and I sell one case to my relative to the United States, and I'm being paid for it in dollars, then I should get an incentive."

Sarmiento also seeks to expand crop coverage insurance by including not only rice

and corn but also other crops derived from agriculture.

He believes that the "carrot and stick" approach is the best way to spur the private sector to put their money in desired investment areas. Sarmiento said, "This is a situation wherein the only way to move the private sector is to set up an environment in which they (private sector) are penalized if they go into an area which is not preferred." He added, "But they should be encouraged through incentives if they somehow accede to what the government is trying to do."

But it would seem that there are other difficulties before the BAIDS could be properly implemented. As Sarmiento pointed out, "the difficulty of the BAIDS is seeing it through." He raised a number of relevant questions pertaining to the effective implementation of the plan. Among them were: "How do you make sure that the other industries work within some parameters? How will you make sure that the politicians themselves comply with the agro-industrial plan — that they would insist only on roads to be built in areas where agriculture can prosper? How can you solve the peace and order problem to bring the entrepreneurs in one area and risk their money?" Sarmiento emphasized, "Risking money is one thing, but to risk money and life is a different thing."

Aside from confronting these difficulties,

the operationalization of the BAIDS require other measures such as policy reforms, program and project development, financial mobilization and institutional changes.

In consonance with the changes in pricing policies, it is necessary to examine existing government policies on export, taxes, export quotas, tariffs as well as regulatory policies of national marketing agencies.

On financial support, the government will see to it that the agricultural sector, specifically, the farmers are provided for with an adequate level of credit sources. In line with this new policy is the institution of an integrated rural financing scheme wherein a single credit line will be extended to support an entire annual farm plan.

Finally, the institutional reforms for the plan is principally aimed at strengthening the organizational structure to attain a more integrated planning, programming, budgeting and implementation of agricultural modernization efforts. There are three basic institutional changes — the improvement of the present organizational mechanism in agriculture, better coordination of agricultural programs at the subregional levels and the adoption of the group farming scheme.

Through the proper implementation of the policies in support of the BAIDS as well as a conducive environment for private sector participation, it is hoped that the Updated Development Plans objectives would be achieved.

PHILIPPINES

ALTERNATIVE DAVAO RADIO AIRS ISSUES, SEEKS SOLUTIONS

Quezon City VERITAS in English 24 Mar 85 p 24

[Article by Carolyn O. Arguillas]

[Text]

IN Davao, there is a radio station whose reporters (dubbed Apollos 1 to 13), even on on-the-spot coverage of killings, arrests during demonstrations and violence on the streets, end each report with "Over and out. Praise the Lord."

Listeners may find it peculiar to "praise the Lord" for the killings and the violence. But DXMF-Radyo Sandigan believes that being able to tell the people that these things do happen despite pronouncements that assure that the peace and order situation is "beautiful" and "under control" is certainly something to "praise the Lord" for.

A music station until it decided to change its format into news and public affairs September 22 last year, Radyo Sandigan has become Davao's *Radyo Veritas*.

Listeners who tune in to this station all day take breakfast, lunch, and supper along with reports on "salvaging," hold-ups, and arrests. When major events such as city-wide strikes or demonstrations occur, station manager Joe Velasco (the Apollo Master) usually deploys the full reportorial force, fielding his Apollos in strategic places in the city to monitor the ongoing, while the Apollo Chiefs alternate-

ly serve as anchormen.

Residents who have to say something or want to express grievances and complaints, phone the station and go on the air using the name "concerned citizen." Even residents who have reported their malfunctioning telephone sets to PLDT and whose sets still await "repair" follow up their cases on the air through DXMF. Stranded commuters go to the station and ask for financial help on the air. The same with those who have relatives in the hospitals and cannot afford to buy medicine.

Radyo Sandigan, a resident here said, has become a venue for dialogue between the residents and the civilian/military authorities. "What we cannot air openly because of fear, we phone in, going by the name of 'concerned citizen.' It gets better results faster than when we personally air our complaints to the officials concerned," says a resident.

The people's faith in the station is paying off. From an almost non-entity in the rating chart, DXMF-Radyo Sandigan jumped to the no. 2 slot in November 1984.

It took only two months to turn things around for the station. And perhaps that's a good reason to praise the Lord.

THAILAND

U.S. STANCE ON POLITICAL DEVELOPMENT VIEWED

BK051304 Bangkok SIAM RAT SAPDA WICHAN in Thai 5 May 85 pp 5, 6

[Article: "New U.S. Attitude and Thai Politics"]

[Text] The media regard Thailand as a steady U.S. military, political, and economic customer.

Before the 14 October 1973 incident [student uprising], the United States could be said to have guided Thailand's administrative system, which was a mixture of dictatorship and democracy--with the emphasis on dictatorship. There has been a saying for a long time that a coup will never succeed in Thailand without a green light from the U.S. Embassy in Bangkok.

The main factor that makes the United States so important to Thai politics is "interest." Thailand has long been a country trying to promote a democratic system with the king as head of state. For this reason, it is natural for it to oppose communism, which is a dictatorial system incompatible with monarchy. The communist system equates the monarchy with big capitalism, which obstructs its development in its targeted society.

For this reason, Thailand has the choices of adopting democracy, dictatorship, or a combination of both. But whatever system it adopts, it must uphold the institution of the monarchy, and its economy must be capitalist. As for the United States, its ideal is to turn every country into democracy with a capitalist economy based on free trade. The United States formulates its foreign policy on its hope that other countries will copy its model because it believes that capitalist democracy will better benefit the world's people. The United States profoundly believes in the capitalist system.

The United States is willing to support dictatorship in countries with a capitalist economy but in which democracy has been curtailed for some necessary reasons, provided that the dictatorship does not contradict U.S. interests and does not oppose capitalism.

This is an observation of what the United States takes into consideration in deciding how closely it wants to maintain relations with other countries.

In the case of Thailand, the United States has many similar interests and, therefore, it is normal for it to give Thailand special support. Viewed from another angle, the United States has a great interest in Thailand because of Thailand's geographic location as the important front-line state against communist expansion in Southeast Asia. The experience of the Vietnam war forced the United States to pull out of any involvement in this region, but it continues to support pro-Western capitalist countries.

It has been observed that, before the 14 October incident, the United States exercised its political influence in Thailand merely to maintain the status of a baby sitter regardless of whether the Thai Government then was democratic or dictatorial. At that time, the United States felt that the Thai people lacked political awareness and did not mind dictatorship. Some people said the United States was puzzled by the 14 October incident and did not believe Thai students could behave that way. It was even more surprised by the 16 October 1976 incident, when the students were suppressed and had to flee, some willingly and some unwillingly, to the jungles to join the communists due to their disappointment in the administrative system. But the Communist Party of Thailand was unable to integrate them fully due to doubts about their sincerity and party officials' unwillingness to share power. The government of General Prem Tinsulanon, which followed the Kriangsak government, adopted the policy of subjugating armed measures to political measures and was able to win back the people who had gone to the jungles.

Democracy, though not full fledged, has blossomed since the Prem government came to power. All this time, the United States has watched attentively the Thai people's political activities and has concluded that they love democracy more than dictatorship. Gen Prem's application of democratic principles has greatly impressed the United States. A Western diplomatic source said: "Gen Prem does not belong to any particular group but is the most important coordinator who makes the country peaceful. He has been able to defuse every dispute. He does everything for the survival of democracy, not in the interests of any particular group. Of this reason, on several occasions the U.S. ambassador has expressed open support for him." The source was referring to Gen Prem being given encouragement, though not a statement of direct support, by U.S. Ambassador John Gunther Dean when Gen Prem was a victim of rebellious acts by political factions within the military. The source said: "The United States apparently realizes that the Thai people's political awareness has been heightened and thus fully supports the existence of the current half-way democracy."

This observation is confirmed by a senior U.S. Embassy official in Bangkok, who told SIAM RAT that from now on the United States will watch for what the majority of the Thai people want and will not support any dictator. The officials said: "The Thai people now are more educated and understand democracy better, including soldiers and university students. The ordinary people have responded very well to the democratic process. We must help each other cultivate democracy. We must support Gen Prem because he belongs to the people, not to any particular group. From now on, we will support principles more than individuals because principles remain while individuals must eventually die."

This statement by a senior U.S. Embassy official reflects the fact that the United States has begun to change its political attitude toward Thailand in a positive direction, and it appears that this is the first time that such an attitude has been clearly expressed.

The question now becomes: Is every Thai citizen ready to help preserve democracy? If we continue to hesitate, the United States might be forced to support dictatorship again in its own interests.

CSO: 4207/202

THAILAND

SIAM RAT ASKS END TO 'SILLY THINKING' ABOUT COUP

BK080940 Bangkok SIAM RAT in Thai 6 May 85 p 3

[Editorial: "The Views of Lieutenant General Chawalit"]

[Text] Lieutenant General Chawalit Yongchaiyut, deputy army chief of staff, spoke on "The domestic situation and the situation in neighboring countries" at the Ambassador Hotel on 4 May. At one point, he mentioned the fraudulent lending decree and said, "This is a worrisome problem, particularly because soldiers have been affected." He said he was unable to predict whether the decree would be approved by the Senate, and stressed that senators are no longer the "rubber stamp assembly" as once thought.

Lt Gen Chawalit said the chit fund issue was not the government's fault. The government wanted to help innocent people. He said the problem was a worrisome factor as to whether it could lead to a coup d'etat.

Lt Gen Chawalit's statement is very interesting in the eyes of the public because he is one of the high-level military officers who play the role of a "decisive factor" in politics of the country.

We think this comment by Lt Gen Chawalit is only the view of an individual and cannot indicate a trend whether there would be a coup d'etat as an outcome of the illegal chit fund game. In fact, "conditions" for a coup d'etat have been eliminated since the extension of the official term of General Athit Kamlang-ek, supreme commander and army commander in chief, was granted.

We do not think anybody would be stupid enough to use the "illegal chit fund game" as an excuse to stage a coup d'etat. The coup stager would only be condemned for trying to protect the interests of a minority group at the expense of the monetary order of the entire nation.

A coup d'etat, if there is any at present, would be for other reasons or simply because of a power struggle without any justified reasons at all. We believe that a coup staged under such conditions would only meet with opposition from the entire population.

Not only are there no justified reasons for staging a coup now, but there are no persons or group of persons in sight we can think of to plot a coup. In this connection, we would like to appeal for an end to such silly thinking and turn to each other to work for national development. There has been improvement of the atmosphere in our country. Probably, we can expect to have full democracy in the not-too-distant future if we do not think so much of having power just for personal gain and selfishness.

CSO: 4207/202

THAILAND

COLUMNIST SAYS PREM USING CHAT THAI DISUNITY

BK061308 Bangkok MATICHON in Thai 4 May 85 p 4

[Kosum Hakthongkhwang's "Fuang Nakhon Bus Stop" column]

[Text] The opposition Chat Thai Party may feel an "internal" crack capable of breaking it into small pieces even before it submits a no-confidence motion against cabinet members in accordance with Article 137 of the Constitution of the Kingdom of Thailand.

The Siam Democracy Group, now acting like an "independent state" inside the Chat Thai Party, has delivered an ultimatum that it will not support any censure move against General Prem Tinsulanon.

A source within the Chat Thai Party's Executive Committee told MATICHON's correspondent that Gen Prem Tinsulanon had sent his "representative" to negotiate with the party's high-level personalities over the motion, to which the government's side has no objection if it is made against the economic ministers as long as it does not include Prime Minister Gen Prem Tinsulanon.

If the Chat Thai Party accepts Gen Prem's proposal, the government has promised to oust some parties from the coalition to make room for the Chat Thai Party.

The source identified the Prachakon Thai and National Democratic parties as the parties to be expelled from the coalition government.

As a result of the negotiations, the attitudes of some party members have changed. In particular, Major General Chatchai Chunhawan has agreed with the Siam Democracy Group that the no-confidence motion should not be aimed against Gen Prem Tinsulanon.

The source also revealed that besides Maj Gen Chatchai, some members of the party's Executive Committee known as the "senior group" have greedily welcomed the opportunity to be part of the coalition government. However, the "young Turk group," another faction inside the Chat Thai Party, did not accept the offer.

It is obvious that the trick employed by the Sisao residence [Prime Minister Gen Prem's residence] of offering the opposition party an opportunity to join in the coalition government has, at least, caused internal conflict among the three groups inside the Chat Thai Party.

1. The Siam Democracy Group, under the leadership of Colonel Phon Roengprasertwit and Thawi Kraikhup is extremely loyal to Gen Prem Tinsulanon. The current circumstances have proven the assumption made by some people since 1983 that this group is acting like a "Trojan Horse."

The Chat Thai Party cannot be happy with the 108 votes it commands in the house as long as the group is acting like a thorn in its flesh.

The fact that the Chat Thai Party could muster only 72 votes against the government-sponsored decree outlawing the money pool business clearly indicate the power of the Siam Democracy Group.

2. The senior group is apparently drifting away from Major General Praman Adireksan. Although this group is more loyal to the Chat Thai Party than the first group, it is still dreaming of inserting itself into the coalition government. It might even turn to be an ally that can further strengthen the Siam Democracy Group.

3. The young Turk group, under the leadership of Pyongphon Adireksan, Maj Gen Praman's son, is the leading core of the Chat Thai Party and is trying to create a proud image for the Chat Thai Party as a good opposition party. It cannot be corrupted.

Although this group is not a major force within the party, it will some day rescue the party from the image of the creature like an eel or mongoose.

The young Turk group was not elated by the offer made by Gen Prem Tinsulanon through his agent. On the contrary, it has shown its strong determination to win more credit with the people in preparation for the next general election.

After confirming the negotiations and the offer from the government, the group insisted that the offer was only a political trick.

It is sad to note that only the smell of "the bone" from Sisao residence can suddenly cause differences in opinion within the country's biggest opposition party. Does the opposition party have any bargaining power left to deal with the Sisao residence?

CSO: 4207/202

THAILAND

THAI RAT ASKS BROADCAST OF NO-CONFIDENCE DEBATE

BK061510 Bangkok THAI RAT in Thai 6 May 85 p 3

[Editorial: "The Non-Confidence Debate Should Be Broadcast"]

[Text] On 3 May, the opposition Chat Thai Party submitted a no-confidence motion against the premier and cabinet ministers (and a deputy minister) of six ministries—finance, commerce, industry, communications, agriculture and cooperatives, and interior—in accordance with the Article 137 of the Constitution of the Kingdom of Thailand.

The no-confidence debate against the premier, six cabinet ministers, and a deputy minister cannot be seen as a big issue or as a move to topple the government because the opposition party is trying its best to carry out its normal duty under the democratic system. Meanwhile, the government can take this good opportunity to explain and point out the problems and its administration to the public.

Parliament has a duty to control the administration of the government and to act as a public watchdog in controlling the government. The government can further strengthen its stability if it can kill the no-confidence motion. But, if the government is defeated in the no-confidence debate, it can resign or dissolve Parliament to pave the way for a new general election, in which it can determine whether the people are satisfied with its past performance.

This is a truly democratic system of administration administrated by the people and for the people's interests. It is no surprise to see the country's administrators changed that way because the change is made by the people, not forced by a power beyond the democratic system.

The opposition submitted the no-confidence motion amidst unfavorable criticism of the government ranging from economic problems, the financial problem, the new tax package, unemployment, and the decline in prices of agricultural products to the insecurity of the property and lives of the people. Although the government has its mouthpiece to explain such issues, it has still failed to make some groups of people understand about the causes of such problems. The problems that the opposition includes in the no-confidence motion are especially complicated.

Therefore, the no-confidence debate is considered a good opportunity for the government to clear those issues to erase the unfavorable criticism. The no-confidence motion should not be debated only in Parliament, and the government should take the opportunity to broadcast the debate on radio so that the people throughout the nation can listen to it, benefiting the government's stability and reflecting the real generosity of the government.

CSO: 4207/202

THAILAND

BRIEFS

SRV TROOPS IN TRAT--Some 800-12,000 Vietnamese soldiers have intruded into Thai territory and held an area at Chamrak village, Tambon Chamrak, Muang District of Trat Province since 3 May. Vice Admiral Prasoet Noikhamsiri, commander of the Chanthaburi-Trat border force, on 4 May ordered the Thai marine force to launch an operation to push the Vietnamese intruders out of Thai territory. Clashes between the Vietnamese soldiers and Thai marines during the past 4 days have been very heavy. Vice Admiral Prasoet disclosed this morning that the Thai marines have retaken two of the three hills from the Vietnamese soldiers. The marines are moving forward to capture the Vietnamese stronghold on the third hill. The Vietnamese side is putting up strong resistance. [Text] [Bangkok Domestic Service in Thai 0530 GMT 9 May 85 BK]

FISHERMEN ARRESTED IN MALAYSIA--Secretary of the Foreign Minister Phinya Chuaiphot disclosed that the Foreign Ministry has received an express report from Thai Embassy in Kuala Lumpur, Malaysia saying that on 12 April a Thai fishing trawler called "Naphachai 3" and its crew were arrested by Malaysian police on charges of violating Malaysian territorial waters in the State of Kedah. On 16 April, a Malaysian court rendered a decision to confiscate the boat. According to Malaysian regulations, after the court has reached a decision, if the owner wants to get back his boat he must appeal in writing to the Malaysian agriculture minister within 1 month. Accordingly, the deadline in this case is 16 May. Meanwhile, on 14 May another Thai fishing trawler called "Ek Udomchai 4" and its 30 crewmembers were arrested by Malaysian police off (Mindulong) Peninsula. The trawler is now anchored at Bintulu in Malaysia. Regarding the seizure of the Thai trawler, the Fishing Trawlers Association sent a letter asking the Thai Foreign Ministry to help rescue the boat. The Foreign Ministry has already instructed the Thai Embassy in Kuala Lumpur to do so. The Foreign Ministry, therefore warns Thai trawlers not to fish in other countries' territorial waters because, if they are arrested, it will cause great hardship, such as the confiscation of the boats and difficulties for the crews. [Text] [Bangkok Domestic Service in Thai 1300 GMT 7 May 85 BK]

STATEMENT ON TRAT BORDER CLASHES--Navy Chief of Staff Admiral Prathuang Ruangchan told newsmen at the Parliament building this morning that clashes at the Thai-Cambodian border in Trat Province are continuing, but the navy had the situation under control and had cleared some areas of the intruders.

Vietnam yesterday dispatched two more groups of reinforcement to the area. The navy also sent in the marines, backed by artillery and air support, to repel the intruders. The navy chief of staff said that from the beginning of the operation on 4 May, Thailand had lost five soldiers killed and 24 wounded. He said the Thai military had anticipated Vietnamese incursions on this part of the border following a lull in fighting along the northeastern border. [Text] [Bangkok Domestic Service in Thai 0530 GMT 10 May 85 BK]

CSO: 4207/202

INTERNATIONAL RELATIONS, TRADE AND AID

NHAN DAN HAILS EXTENSION OF WARSAW TREATY

OW291153 Hanoi VNA in English 0748 GMT 29 Apr 85

[Text] Hanoi VNA April 29--"The Vietnamese people fully support the recent decision to extend the Warsaw treaty by 20 years," says NHAN DAN in a commentary today.

Over the past 3 decades, the paper says, the Warsaw Treaty Organization has played an outstanding role in the preservation of peace in Europe and the rest of the world. "Never before has the 20th century witnessed such a long period of peace as in the 40 years since the end of World War II. Credit for this situation goes first and foremost to the Warsaw Treaty Organization."

The Reagan administration's dangerous acts to speed up the production of weapons for the "star wars," though just started, are leading to new dangers which, unless they are stopped in time, will destabilize the whole system of international relations and increased confrontation, gravely jeopardizing peace and security of all nations.

NHAN DAN says that the extension of the Warsaw treaty by 20 years as decided at the member countries' recent summit meeting is of paramount importance in the conjuncture in Europe and the world as a whole now as well as in the years ahead. It proves that the Soviet Union and other countries in the socialist community, with their high sense of responsibility and their desire for peace, always seek by all means to strengthen their own security while making the most active contribution to curbing and repelling the increasing war danger, so as to maintain peace and security in Europe and the rest of the world.

CSO: 4200/884

3 June 1985

INTERNATIONAL RELATIONS, TRADE AND AID

S. VIETNAM LIBERATION DAY MARKED IN USSR, CUBA

OW301035 Hanoi VNA in English 0815 GMT 30 Apr 85

[Text] Hanoi VNA April 30--The Soviet news agency TASS on April 28 ran a commentary, marking the 10th anniversary of the complete liberation of South Vietnam (April 30). It said:

"The date of April 30, 1975 has gone down into history as the day of complete liberation of South Vietnam. The victorious flag flown on the "Independence" palace 10 years ago is a symbol of the victory of the Vietnamese people's valiant and protracted struggle under the slogan "nothing is more precious than independence and freedom." Under that slogan, Vietnam recorded a marvelous exploit of terminating the colonial yoke there, defeating the U.S. imperialists, achieving the national reunification, then taking the whole country to socialism. The Vietnamese people's wonderful triumph has constituted a powerful factor for ensuring peace in Asia."

Soviet daily newspaper KRASNAYA ZVEZDA on the same day wrote: "The liberation of Saigon city and the entire South Vietnam was the last link in a chain of historical events in Vietnam, which began with the victorious August revolution in 1945. The example set by Vietnam has greatly inspired all peoples struggling for national independence. It is at the same time a stern warning for all aggressors. Though the White House is seeking ways and means to find excuses for their military setback in South Vietnam, it is unable to deny all the historical events. The capitalists' huge military machine became useless before the Vietnamese people's great sacrifices and heroism."

In Cuba, diversified activities were held to mark the Vietnamese anniversary. The Cuban Committee for Solidarity With Vietnam and other mass organizations, together with the Vietnamese Embassy in Havana, began their activities with a socialist labour day at the stud-bull farm of Nina Bonito on April 21.

In the evening of April 24, the Cuban Institute of Friendship With Peoples held a meeting and filmshow on Vietnam with the participation of representatives of mass organizations and embassies of fraternal socialist countries in Cuba.

Present on the presidium of the meeting were Mario Rodriguez, vice president of the Cuban Institute of Friendship With Peoples; Pelegrin Torras, vice foreign affairs minister; Pedro Palacio, first vice president of the Cuban

Committee for Solidarity With Vietnam; Hoang Luong, Vietnamese ambassador; Southavon Keola, Lao ambassador; and Yeau Kim Seng, Kampuchean charge d'affaires A.I. in Cuba.

In his speech, Pelegrin Torras brought out the great significance of the Vietnamese people's victory in spring 1975 and reaffirmed the unbreakable solidarity of the party, state and people of Cuba with the Vietnamese people in their national construction and defence.

Talks, filmshows, meetings and exhibitions on Vietnam have been held in various factories and schools throughout Cuba.

On this occasion, Cuban newspapers, periodicals, radio and television carried articles or had special programs on Vietnam.

CSO: 4200/884

INTERNATIONAL RELATIONS, TRADE AND AID

JAPAN SUPPORTING CAMBODIAN REACTIONARIES

OW261305 Hanoi International Service in Mandarin 1130 GMT 25 Apr 85

[Station commentary: "An Insincere and Impractical Action"]

[Text] Recently, the Japanese authorities have been engaged in a very dirty and odd business. At nobody's request, they have published a decision which calls for submitting the Cambodian issue to the upcoming summit of seven developed capitalist countries in Bonn for discussion.

It is reported that Japan has been bustling about to mobilize the participating countries in the meeting to issue a joint statement demanding the withdrawal of Vietnamese troops from Cambodia and urging Western countries to pool efforts to aid Cambodian refugees. The Japanese authorities have always flaunted their objective and independent stance on issues of Southeast Asia and Indochina. But, as a matter of fact, Japan's stance in the so-called Cambodian issue is wrong and shameful. Colluding with Beijing, Washington, and Bangkok, it is trying hard to get various international organizations to recognize the illegal and brutal "democratic Kampuchean political corpse as a legal government."

The Japanese authorities pretend to be generous. Under the pretense of providing aid for Cambodian refugees, they are supporting the remnants of the Cambodian refugees, they are supporting the remnants of the Cambodian reactionaries. They warmly welcome the head of the genocidal clique on his visit to Tokyo and let the butcher make a speech accusing Vietnam of invading Cambodia. This is obviously aimed at opposing Vietnam, Cambodia, and the dialogue between the ASEAN and Indochinese countries.

The Japanese authorities have asked the summit of seven Western countries to issue an anti-Vietnam statement. This shows that Japan has fully sided with the Cambodian reactionaries, wantonly interfered in the internal affairs of the Cambodian people, and decided to oppose Vietnam and the Indochinese countries.

At present, many statesmen and countries have urged that in solving the Cambodian issue, it is necessary to get rid of the Pol Pot regime. It is, therefore, obvious that the Japanese authorities' action is insincere and impractical.

The Cambodian revolution is developing vigorously and comprehensively. No reactionary group can turn the tide. The Tokyo authorities' attempt to call for collective efforts to boost the morale of the genocidal corpse that has been cast onto the rubbish heap of history is a miscalculation. It has violated the principle of justice and conscience. This is just like a drowning man clinging to a piece of rotten wood, a waste of effort.

CSO: 4005/835

INTERNATIONAL RELATIONS, TRADE AND AID

AMITY GROUPS ARRIVE IN HANOI FOR CELEBRATION

OW292122 Hanoi VNA in English 1538 GMT 29 Apr 85

[Spelling of names as received]

[Text] Hanoi VNA April 29--Delegation of many associations in foreign countries for friendship with Vietnam have arrived here to attend the celebrations of the 10th anniversary of the complete liberation of South Vietnam.

The delegation of the Soviet-Vietnamese Friendship Society is led by A.E. Andreyev, president of its Byelorussian branch; the delegation of the Laos-Vietnam Friendship Association by its acting President Ounhouan Phounsavath, the delegation of the Kampuchean-Vietnamese Friendship Association by its President Chan Ven; the delegation of the Cuban Institute of Friendship With Other Peoples (CIFP) and of the Cuba-Vietnam Friendship Association by Alfonso Zelaya, vice president of the CIF; the delegation of the France-Vietnam Friendship Association by Henri Martin, member of the presidium of the association; the delegation of the Japan-Vietnam Friendship Association by its vice president, the most venerable I. Hosoi, the delegation of the American People's Movement for Support of Vietnam by Dave Dellinger, and Otto Javechek, member of the Austrian Communist Party Central Committee.

On April 28, the foreign guests were cordially received in Hanoi by Hoang Tung, secretary of the Central Committee of the Communist Party of Vietnam.

Hoang Tung expressed heartfelt thanks of the Vietnamese people to the fraternal and friendly countries and of all the friends of justice and peace across all over the world for their support to and solidarity with the Vietnamese people in the past anti-U.S. resistant war for national salvation as well as in their national construction and defence at present.

He briefed them about the achievements of the Vietnamese people in healing the wounds of war and rebuilding the country in the past 10 years.

The heads of many delegations expressed their joy to revisit Vietnam and reaffirmed their determination to broaden the movements of solidarity with and assistance to the Vietnamese people back in their countries.

CSO: 2200/884

INTERNATIONAL RELATIONS, TRADE AND AID

BRIEFS

NETHERLANDS NATIONAL DAY MARKED--Hanoi VNA April 29--Hans Horbach, Netherlands charge d'affaires A.I. to Vietnam, gave a reception here this evening in honour of his country's national day (April 30). Among the guests were Minister of Justice Phan Hien and Assistant to the Foreign Minister Vo Van Sung. [Text] [Hanoi VNA in English 1550 GMT 29 Apr 85]

POLISH AMITY DELEGATION--Hanoi VNA April 17--Hoang Tung, secretary of the Communist Party of Vietnam Central Committee, received here this afternoon the visiting delegation of the Poland-Vietnam Friendship Association. The Polish Delegation is led by Major General Marian Ryba, general director of the Office of the Council of Ministers, vice-minister, and vice president of the association. With Hoang Tung were Nguyen Chan, alternate member of the party Central Committee, minister of mines and coal, and president of the Vietnam-Poland Friendship Association; and Trinh Ngoc Thai, general secretary of the Vietnam Committee for Solidarity and Friendship With Other Peoples. Polish Ambassador Bronislaw Musielak was present. Speaking on the occasion, Hoang Tung informed the Polish guests of the situation in Vietnam, praised the Vietnam-Poland friendship, and thanked the party, government and people of Poland for their wholehearted support and assistance to the Vietnamese people in socialist construction and national defence. While here, the Polish guests paid tribute at the Ho Chi Minh Mausoleum and visited the late president's home and office. It toured several production establishments in Hanoi, Ho Chi Minh City and the northern border province of Quang Ninh. [Text] [Hanoi VNA in English 1528 GMT 17 Apr 85]

CC GREETE EGYPTIAN COUNTERPART--Hanoi VNA April 29--The Central Committee of the Communist Party of Vietnam has sent a message to its Egyptian counterpart warmly greeting the 10th anniversary of the Egyptian Communist Party. The message says: "Over the past 10 years, the Egyptian Communist Party, closely uniting with the progressive and patriotic forces of Egypt, has persistently struggled for a genuinely independent, progressive and prosperous Egypt, thus actively contributing to the common struggle of the Arab people against Zionism and U.S.-led imperialism, for the recovery of the Egyptian territories illegally occupied by the Israeli aggressors and restoring the fundamental national rights to the Palestinian people, and for peace, national independence, democracy and social progress. "The Communist Party and people of Vietnam fully support the struggle of the ECP [Egyptian Communist Party] and progressive forces of the Arab Republic of Egypt, and wish you still greater successes in your revolutionary struggle. May the solidarity and friendship

between the two parties and peoples further consolidate and develop!" [Text]
[Hanoi VNA in English 1509 GMT 29 Apr 85]

DELEGATION RETURNS FROM USSR--Hanoi VNA April 29--The delegation of the Vietnamese National Assembly headed by Chairman Nguyen Huu Tho returned here yesterday concluding its official friendly visit to Albania, Cuba, Mexico, Nicaragua and the Soviet Union. It was welcomed home by Chairman of the Council of Ministers Pham Van Dong; vice chairmen of the State Council, Chu Huy Man and Le Thanh Nghi; Vice Chairman of the Council of Ministers Vo Nguyen Giap; vice chairmen of the National Assembly Nghiem Xuan Yem and Nguyen Xien; Foreign Minister Nguyen Co Thach; Minister Doan Trong Truyen, Secretary General of the Council of Ministers Nguyen Viet Dung, director of the office of the National Assembly and the State Council and many others. [sentence as received] [Text] [Hanoi VNA in English 1551 GMT 29 Apr 85]

BOU THANG DELEGATION VISITS HANOI--Phnom Penh, 9 May (SPK)--On its way to the Soviet Union, where it will attend the 40th anniversary of the victory over fascism, the Cambodian delegation stopped over in Hanoi. Led by Bou Thang, member of the KPRP Central Committee Political Bureau, vice chairman of the Council of Ministers, and Cambodian minister of national defense, the delegation was greeted upon its arrival and seen off at its departure by Vu Xuan Ang, assistant foreign affairs minister, and other figures. Kem Mongkol, advisor of the Cambodian Embassy in Hanoi, was also present. [Text]
[Phnom Penh SPK in French 0408 GMT 9 May 85 BK]

LENIN MONUMENT CONSTRUCTION STARTED--Hanoi, VNA, March 26--A solemn ceremony was held here today to start the construction of the Lenin Monument at the Chi Lang park in Hanoi. Present on the occasion were Tran Tan, alternate member of the Communist Party of Vietnam Central Committee, Deputy Secretary of the Hanoi Party Committee and Vice Chairman of the Hanoi People's Committee; Tran Van Tuan, acting Secretary of the Hanoi/Ho Chi Minh Communist Youth Union Committee and representatives of the CPV Central Committee's International Department, the Ministry for Foreign Affairs, the Vietnam-USSR Friendship Association, the Ministry for Construction, the Soviet embassy, and public offices. Speaking at the ceremony, Tran Tan and V.D. Gibin, representative of the Soviet embassy, brought out the significance of the erecting in Hanoi of the Monument to V.I. Lenin. The statue of Lenin will be made in bronze, five metres high, and placed on a 2.7-metre high marble pedestal in the middle of the park. [Text] [Hanoi VNA in English 26 Mar 85]

CSO: 4200/900

PARTY ACTIVITIES AND GOVERNMENT

BRIEFS

PEOPLE'S COUNCIL DEPUTIES ELECTION--More than 26 million voters in Vietnam go to the polls on Sunday to elect their deputies to the people's committees [as heard] at provincial, municipal, and centrally controlled special zone levels. Preparations for this election have been done for months now with special care to ensure that democracy is (?protected). In Hanoi, a siren heralded the election day at 7 am. Beautifully bedecked polls and people with their Sunday best made this city a scene of festivity. [Text] [Hanoi International Service in English 1000 GMT 21 Apr 85]

FLORAL TRIBUTE AT MAUSOLEUM--Hanoi VNA April 28--On the occasion of the 10th anniversary of the complete victory of the anti-U.S. resistance war and the International Labour Day, a delegation of the Communist Party of Vietnam Central Committee, the National Assembly, the State Council and the Council of Ministers, and the Fatherland Front this morning paid their floral tribute at the Ho Chi Minh Mausoleum. The delegation included Le Duan, general secretary of the party CC; Pham Van Dong, member of the Political Bureau of the party CC and chairman of the Council of Ministers; General Van Tien Dung, member of the Political Bureau of the party CC and minister of national defence; Vo Chi Cong, member of the Political Bureau and secretary of the party CC; General Chu Huy Man, member of the Political Bureau of the party CC and vice-president of the Council of State; Nguyen Duc Tam, member of the Political Bureau of the party CC; Hoang Quoc Viet, honorary president of the presidium of the Vietnam Fatherland Front Central Committee; Nghiem Xuan Yem, general secretary of the Vietnam Democratic Party, Nguyen Xien, general secretary of the Vietnam Socialist Party; and other high officials of the party, state and social organizations. Later this morning, a wreath-laying ceremony was held at the Mai Dich Cemetery in Hanoi as a tribute to those who had laid down their lives for the national revolution. [Text] [Hanoi VNA in English 1551 GMT 28 Apr 85]

OFFICIAL VISITS CEMETERY--Hanoi VNA April 30--Truong Chinh, member of the Political Bureau of the Communist Party of Vietnam Central Committee and president of the State Council, on behalf of the CPVCC, the National Assembly, the Council of State and Council of Ministers, laid a wreath at Ho Chi Minh City's Cemetery in commemoration of combatants fallen in the struggle for national liberation. He was accompanied by Nguyen Van Linh, member of the CPVCC and secretary of the Ho Chi Minh City Party Committee; Mai Chi Tho, member of the CPVCC and chairman of the city people's committee; Nguyen Viet Dung, director of the Office of the National Assembly and the State Council. [Text] [Hanoi VNA in English 0704 GMT 30 Apr 85]

TRAINING OF WOMEN CADRES--Hanoi, VNA, March 4--In recent years, the number of women assumed leading posts in Hanoi has increased both in numbers and standard. The number of deputy heads of workshop and deputy managers of State department stores rose from 2,261 or 22.2 percent of the total personnel in 1979 to 3,496 or 28.9 percent in 1983. Women members in the city Party Committee increased from 9.3 percent to 14.3 percent in the same period. Women make up 40 percent of the personnel of the goods distribution and circulation services, 28 percent of the health service, and 36.4 percent of the trade union cadres. In Ha Bac province, north of Hanoi, women account for 54 percent of the total population and 59 percent of the work force. Women make up 61 percent of the personnel of the health service, 69 percent in education, 64 percent in the State-run trade service, 48 percent in the posting and banking services, 42 percent in industry, and 44 percent in capital construction. In terms of cultural level, they account for 65 percent of the medium-level cadres, 34 percent and 44 percent of the college and university graduates. [Text] [Hanoi VNA in English 4 Mar 85]

CSO: 4200/900

ECONOMIC PLANNING, TRADE AND FINANCE

SITUATION IN HO CHI MINH CITY DURING PAST 10 YEARS REVIEWED

Hanoi NHAN DAN in Vietnamese 9-13 Apr 85

[Article by Nguyen Ngoc Tu: "Some Theoretical Matters Based on the Actual Situation in Ho Chi Minh City During 10 Years of Liberation"]

[9 Apr 85 p 3]

[Text] On 30 April 1975 the Ho Chi Minh Campaign won a complete victory and Saigon and the entire southern part of our country were liberated.

Ten years have passed since then. That was only a very brief period in history but it was an extremely glorious historical period which is worth remembering. The change from the old Saigon to the Ho Chi Minh City of today was an all-round, profound turning point and was a whole process of arduous, complicated, burning, fierce, and seething struggle, as well as a process of seeking, tossing and turning, thinking, and the experimenting full of dynamism and a spirit of revolutionary offensive in the spheres of transforming and building a socialist society, which are very new and difficult.

The old Saigon was the political, economic, and cultural center and brain of the U.S.-puppet neocolonial regime, and was essentially a consumer city which lived off the war and had an economy which served the war and was completely dependent on foreign capitalists. Now it has become an independent, peaceful city that is in the process of transition to socialism and plays the role of a major economic center, an international trade center, and an important tourist center of the Socialist Republic of Vietnam.

It is possible to affirm the great, basic accomplishments of the party organization and people of Ho Chi Minh City during the past 10 years under the leadership of the Party Central Committee and the Government.

We smashed the apparatus of the puppet army and the puppet administration and did a good job of taking over management of the city. We quickly built and consolidated our administration at three levels--the municipal level, the precinct-district level, and the subprecinct-village level--widely organized and developed the revolutionary and mass forces, maintained security and order, and did not allow the occurrence of political rebellion, as the imperialists wanted. Those were important political victories, especially in the rather special context of a large city that had just been liberated and

was a complicated hub of activity. It is only necessary to recall that in addition to the hundreds of thousands of members of the puppet administration and puppet army, which disintegrated on the spot, there were initially 500,000 unemployed, the city was a place where the hooligans and prostitutes of thold regime were concentrated, and we had not yet destroyed all the reactionary organizations and espionage rings.

The economic victories are very encouraging: a city that was accustomed to consumption and parasitism gradually became a producing city in which industrial production, especially small industry and handicrafts, increased steadily, in which there took form a state and collective economic network and the total social output and income of which reached the highest level ever. The average annual rate of increase of industrial production, including small industry and handicrafts, has been 17.6 percent. Between 1981 and 1984 it increased by 26.3 percent a year and now accounts for nearly one-third of the total value of national industrial output. During the past 4 years total social output has increased by 13.3 percent a year and the income of the state economy has increased by 13.4 percent. Industry accounts for more than 65 percent of the city's total social output. Local industry, including small industry and handicrafts, has recently developed rapidly and its value is now four times greater than that of Hanoi and nine times greater than that of Hai Phong. Agricultural production has also developed rapidly with regard to area and output and the districts in the outskirts of the city meet the grain needs of the agricultural population and fulfill more than two-thirds of the city's vegetable needs. In 1984 the number of livestock reached attained the highest level ever and animal husbandry products began to be exported. At present the state and collective economies account for 80 percent of the total social output and national income. Agricultural cooperativization has encompassed 69.3 percent of the cultivated land and 70.4 percent of the households. The organized market has gradually been strengthened and expanded and recently the city has controlled 80 percent of the social market in grain, 50 percent of the catering sector, 70 percent of the market in vegetables, and more than 70 percent of the small industry and handicraft products. With a retail network of 5,000 locations, in 1984 socialist commerce's share of the social market increased notably in comparison to 1981. Last year purchases by state commerce amounted to 32 billion dong and its sales amounted to 30.9 billion dong, an increase of 145 percent over 1983. During the past several years exports and imports have increased clearly and 1983 local export services were nearly three times greater than in 1983. Thanks to the above-mentioned accomplishments in production, distribution, and circulation, although the material and cultural lives of the working people are still difficult all-out efforts have been made to gradually stabilize and in some respects improve them.

During the past 10 years the city has also achieved important accomplishments in the cultural, public health, education, sports and physical education, disabled veteran, and social work, which manifested the concern of the regime for the spiritual and cultural lives of the people. Attention has been paid to overcoming the situation of at times neglecting the ideological-cultural front, there was tighter leadership and management of the revolutionary cultural forces, and the poisonous cultural influences of the imperialists and feudal colonialists were stopped and eliminated.

During the 1985 lunar new year Secretary General Le Duan visited Ho Chi Minh City and happily praised the echelons and sectors in the city for achieving more and more fine accomplishments, especially in 1984, when it made relatively solid advances on the distribution-circulation front and in socialist transformation. When working with the Municipal Party Committee on that occasion, State Council Chairman Truong Chinh also stated that "During the past 10 years, especially since the issuance of the Resolution of the Party Central Committee regarding the work of Ho Chi Minh City, the city's party organization and people have endeavored to strongly advance, develop the good points, overcome weaknesses, and creatively apply the resolutions and policies of the central echelon to the specific local situation, gradually enabled the economy to move in the right direction and develop more and more solidly, began to attain encouraging accomplishments in the spheres of socialist transformation, economic-social development, and the consolidation of security and national defense, done a good job of fulfilling obligations toward the state, and gradually stabilized the lives of the people."

On the occasion of the 10th anniversary of the liberation of Ho Chi Minh City it is necessary to recapitulate the actual rich and lively experience of the city, to form a basis on which to contribute to reaching conclusions about a number of basic theoretical matters of our party's revolutionary and economic lines, when creatively applying Marxist-Leninist theory on the period of transition to the specific conditions of a nation that is advancing from small-scale production to socialism without passing through the phase of capitalist development.

If that is to be accomplished we must base ourselves on the actual results that have been attained; but no less important, it is necessary to understand the process of tortuous, complicated objective changes in the city's situation on the path of transition to socialism. Final results are yardsticks for measuring the validity of theory, but only by understanding the operational process of things can there be a dialectical orientation for isolating theory from life.

When we take a broad view and make production the base, we see that the production of Ho Chi Minh City underwent the following changes: between 1976 and 1978 production was restored and increased, between 1978 and 1980 production declined, in 1981 and 1982 it increased again, and since the beginning of 1983 a number of difficulties have been encountered but they have been resolved and production has gradually been stably developed.

If the course of development in Ho Chi Minh City during the past 10 years is viewed segment by segment to facilitate its scientific analysis, we see that it is possible to divide it into two distinct phases, the dividing point of which was the Resolution of the Sixth Plenum (fourth term) of the Party Central Committee, often compared by the comrades in the south to the Resolution of the 15th Plenum (second term) of the Party Central Committee, which brought about a revolutionary transformation in the south at the beginning of the U.S.-Diem period. In each phase there have been complicated developments, but in general during the second phase the situation has increasingly improved and stabilized.

During the first several years after the liberation, thanks to correct policies and an enthusiastic atmosphere caused by the great victory of the revolution, security and order were relatively good, the economy was restored, the cadres and people were optimistic, and hostile activities were restricted and had to be hidden. Then there was carried out a rapid transformation of the comprador capitalists and some of the biggest bourgeoisie, the industrial bourgeoisie, which limited and reduced the power of the capitalists but did not fully utilize their positive aspects or further the development of production. In 1978 and 1979 the city was confronted with an unexpected, severe challenge: foreign aid and the existing stores of materials and raw materials dried up and the reserves could no longer support the consumption level; the economy, which was in the initial phase of reorganization, was still weak; the state's economic strength was not great; and there occurred the disastrous 1978 floods which created a crisis in the grain situation even in the Mekong Delta. Meanwhile, our southwestern border was attacked and the Beijing reactionaries became turncoats and created the "overseas Chinese" crisis, then carried out armed aggression all along our northern border. In that situation the remaining significant bourgeois powers took advantage of the difficulties and began to oppose us economically and socially, which brought about economic crisis and stagnation in 1979 and 1980.

In the midst of that tense period, along with our political-military victories on the two borders the resolution of the Sixth Plenum (fourth term) of the Party Central Committee in 1979 brought about a new way of looking, thinking, and working vis-a-vis the economy that were appropriate to the objective requirement of finding ways to resolve the difficulties, especially the lack of sources of fuel, raw materials, materials, and spare parts, which enabled production to take off and the pace of all phases of economic activity to pick up, although some excessive "fence busting" could not be avoided. Resolution 01 of the Political Bureau (September 1982) and the resolution of the Third Congress of the Municipal Party Organization served to affirm the accomplishments and creative elements, correct the distortions and deficiencies, promote the socialist transformation of commerce and agriculture, and strengthen market management and export-import on the basis of expanding economic alliances, developing the economy more solidly, and the more comprehensive development of the city's leadership.

The above process is an actuality that affirms that Saigon, the "pearl of the Orient" of old-style and new-style colonialism, is capable of and in fact is, advancing to socialism after the liberation. A socialist Ho Chi Minh city is not an illusion but is now in the process of being realized, with dynamic, active, and creative features. Actual events in the city during the past 10 years have not only clarified the revolutionary principles of Marxism-Leninism, the political and economical lines of our Party, and the objective developmental laws of our country in the period of transition, but have also contributed to the enterprise of building socialism in our country. A number of appropriate measures, forms, and models, and even some of the city's experiences which were not completely successful have had a positive significance and have uncovered and resulted in finding ways to resolve a number of economic-social problems. Therefore, Political Bureau Resolution 01 also observed that Ho Chi Minh City has contributed useful experiences in studying and improving the nation's economic management. These have been

valuable contributions, for everyone knows that after there are correct lines the question of how the economy should specifically be organized and managed is a hot topic in our country's revolution.

However, because the path of advance of Ho Chi Minh City is not smooth and straight, but there are new, bold features which lie without the old familiar framework, there have been differing and sometimes opposing opinions and evaluations vis-a-vis the tasks of the city's party organization and people. Ho Chi Minh City has become a focal point which has shaken the thought of the entire nation and of many leadership cadres, and many scientific researchers have devoted time and effort to think about the city's experiences. On the basis of a number of studies by theoretical cadres who have monitored the experiences of Ho Chi Minh City, we have below summarized and generalized the theoretical aspect of the most basic and general problems in the course of the city's work during the 10 years after the liberation. I hope that this introduction will give rise to complete summary works which are worthy of the position of the city bearing the name of Uncle Ho and contribute positively to strengthening unity in our Party toward the theoretical and ideological aspects of problems in the initial phase of the period of transition to socialism in our country.

[10 Apr 85 p 3]

[Text] 1. In the period of transition to socialism it is first of all necessary that leadership work firmly grasp the dialectical relationship between the economy and politics, in which an important specific manifestation is the close relationship between transformation and construction.

As noted by the Political Bureau resolution, since 30 April 1975 Ho Chi Minh City and the entire south of our nation have changed over to the period of transition to socialism.

According to Lenin (Collected Works, Vol 40, p 121), that situation demands that attention be paid to two points: after winning decisive victory in war it is now necessary to change over to fulfilling the economic missions, which cannot be fulfilled by the general formulas and principles of communism but must be based on the specific characteristics of the period of transition.

The political tasks of the period of transition are firmly grasping the proletarian dictatorship, bringing into play the collective mastership right of the working people, carrying out class struggle and the struggle between the two paths, transforming the old economy and society, building the material-technical bases of socialism, and constructing an appropriate superstructure. Lenin indicated that under the proletarian dictatorship politics and economics have a dialectical organic relationship: politics are the concentrated manifestation of the economy and must play the leading role vis-a-vis the economy, but politics are manifested in the most important manner in the sphere of economics, and the true nature of politics in that period is essentially organizing and building a new economy. Only when politics and economics are closely combined and are no longer in opposition or separated from each other can politics become the actual destiny of millions of people, as Lenin said.

Politics are first of all the matter of government. In Ho Chi Minh City, after the central and local apparatus of the puppet regime were dissolved there was gradually built and consolidated a three-tier people's administration which resolved a whole series of complicated problems of the post-liberation transfer of administration. Then the city used its state authority as a strong tool in organizing the economy, first of all carrying out the socialist transformation of the nonsocialist economic components, the first task of which was to defeat the exploiters and expropriate the expropriators. Immediately after it was liberated Ho Chi Minh City assumed management of the important production installations the reactionary bourgeois owners of which abandoned and fled abroad. In 1976 the comprador capitalists were attacked. In 1977 the transformation of the major industrial and commercial bourgeoisie in the city continued. But as Lenin had pointed out, "We nationalized, confiscated, overthrew, and smashed more than we made careful calculations, so we lacked good methods for making positive use of the bourgeois economy, which was still essential in the period of transition, or for achieving the specific unification of politics and economics. The actual situation of Ho Chi Minh City has further clarified Lenin's viewpoint on the essential function and difficult mission of the proletarian dictatorship, which is not to suppress and expropriate, but to organize the economy and the labor and life of millions of people.

The Party's line in the period of transition is to closely combine transformation with construction, with emphasis on construction. That is an important specific manifestation of the relationship between economics and politics in the period of transition to socialism. To separate transformation from construction is in the final analysis to separate politics and economics. In Ho Chi Minh City, in 1977 and 1978, in part because of simplistic transformation and in part because the socialist forms applied to private industry and commerce did not promote production, the transformation was not solid. On the contrary, in 1979-1981, when the transformation moderated and management was relaxed, the bourgeoisie raised their heads, a new bourgeois stratum appeared, and the bourgeois powers had an opportunity to develop strongly and dominate the market and prices. During the past 10 years Ho Chi Minh City has experienced many economic-social transformation campaigns. In addition to the important accomplishments a number of deficiencies which considerably harmed production and production psychology and had long-lasting consequences could not be avoided. Ordinarily transformation has not been accompanied by ensuring production, transformation has been understood more as eliminating than as developing, transformation has been oriented more toward ownership relations than the use of management and technology, transformation has been administrative and imitative more than the study and resolution of specific problems under certain conditions of space and time, the transformation of the old did not take place simultaneously with the construction of the new to replace and develop it. In a recent newspaper article comrade Vo Van Kiet wrote that those deficiencies could to one degree or another be called an infantile disorder, voluntarism, or "enthusiasmism," as Lenin had warned. Those deficiencies are also tied in with failure to profoundly realize the specific characteristics of the initial phase of the period of transition in our country in general and in the city specifically.

Only the course of actual events in Ho Chi Minh City during the 10 years since its liberation has gradually clarified and completed the viewpoint of simultaneously transforming and building, with emphasis on building. The city's experiences demonstrate that transformation must take place over a long period of time and that it is necessary to transform industry, commerce, and both production and the market. The true nature of transformation is renovating ownership relations, management relations, and distribution relations, in order to increase production effectiveness and labor productivity. Transformation does not mean only prohibiting and eliminating, but must include supplementation, strengthening, and development. The most difficult aspect of socialist transformation is dealing with the small owners and small merchants in the city and the small peasants in the rural areas. They continually emerge economically and with overwhelming numbers to a large degree control the material life of society, and that is not to mention the petty bourgeois viewpoints which still deeply permeate the ranks of the cadres and party members. These are allies which intentionally or unintentionally help the bourgeois class, which has not yet been completely resolved. In the actual course of its leadership Ho Chi Minh City has carried out transformation tied in closely with the reorganization of production according to economic-technical sector, product group, or essential sector or product. It carried out transformation but still made use of the positive aspect of the bourgeois form. The state was able to exploit the capabilities of the nonsocialist economic components and maintain and improve the living conditions of the people in the city and throughout the nation. As for construction being included in transformation, according to the experience of Ho Chi Minh City, that essentially means that every step in transformation is a step in building a rational economic structure, eventually forming a regional industrial-economic structure and bringing into play the city's role as an economic center in socialist alliance and cooperation with the other regions, with the entire nation, and in trade relations with foreign countries.

With regard to leadership, in Ho Chi Minh City during the past 10 years, in general there has been no overt opposition between politics and economics and there have been few manifestations of conservatism, tardiness, or tendency toward generalized politics apart from the economic conditions and needs, or using empty political-ideological slogans to resolve problems of the period of transition. The problem is that there has been a failure to flexibly apply the general political and economic lines of the Party to the specific circumstances of the city in each phase, or to closely combine politics and economics or transformation and construction. Especially, when entering into economic matters at times it has had to grope and has been confused and hesitant in spheres in which it has no or little actual experience. Therefore, it has not been possible to avoid instances of oversimplification toward the class struggle in the city, or impatience when dealing with the five economic components in the initial phase of the period of transition. Therefore, resolution 51 of the Political Bureau admonished the city to closely combine the struggle between the two paths with the struggle against the sabotage plots of the various kinds of reactionaries within and without the country, firmly grasp the proletarian dictatorship, oppose relaxing control on the distribution-circulation front, more positively carry out the socialist transformation of small industry, handicrafts, and agriculture by

means of appropriate forms and management methods, and stress the political-ideological education of cadres and party members.

Furthermore, it is also necessary to recognize another fact: because the political and practical abilities have not kept up with the requirements of the revolution, a number of cadres and party members in the city have been confused and perplexed by the difficult, complicated situation. On the part of some cadres and party members there has been a situation of losing one's way, vagueness, degeneracy, or tending to seek personal profit, disorganization, a lack of principles, a loss of political vigilance, or an inclination toward purely economic, technical, or specialized viewpoints. Although not the dominant aspects of the situation, they are dangerous phenomena which it is necessary to struggle to completely eliminate for they are contrary to the political and economic principles of socialism. In the actual situation in the city it has become increasingly clear that to have a governmental administration is to have everything; economic problems, with their objective laws, are always very stubborn and cannot be resolved by administrative orders or revolutionary enthusiasm. But in order to resolve the economic problems of the period of transition it is also necessary to always have a steadfast political stands and a broad political view, and never depart from the basic interests and ultimate goals of the revolution. As Lenin taught, "Without a correct political stand a certain class cannot maintain its rule and therefore cannot fulfill its mission in the production sphere" (Collected Works, Vol 43, p 395).

[19 Apr 85 3]

[Text] 2. In the period of transition to socialism, politically the important thing is to firmly grasp the contents and true nature of the proletarian dictatorship and the class struggle under the new conditions.

After the working class wins political power the proletarian dictatorship is the continuation of the class struggle with new contents, forms, and methods. The proletarian dictatorship is not merely or essentially violence and suppression, although in Ho Chi Minh City, due to the special historical and political circumstances and the balance of economic forces the use of that "special stick" cannot be regarded lightly, the working class must still win victory primarily by means of organization and management, especially by means of economic measures, in appropriate combination with the educational and administrative measures.

The actual situation in Ho Chi Minh City during the past 10 years has affirmed the above-mentioned correct viewpoints of Marxism-Leninism and show that under the proletarian dictatorship of the initial phase the class struggle will continue to exist and the classes will not yet have disappeared, but the features of each class and the reciprocal relations among the classes will undergo important changes.

The class struggle and the struggle between the two paths there have been very fierce, persistent, complicated, and even more decisive because the Chinese expansionists, in league with the U.S. imperialists and the other reactionary powers, regard the city as a key area in which to oppose and attack us strongly and insidiously. In addition to their plots to commit sabotage and

foment rebellion, and their psychological warfare stratagems (the 1970 southwestern border war was intended to support an uprising by counterrevolutionaries in the city), the enemy have greatly damaged us economically. They hope that our economy will become weak and chaotic to facilitate the counterrevolutionary political activities. Therefore, they have stopped at no schemes, from speculation and hoarding, stealing state property, competing in buying and selling, producing ersatz goods, raising and upsetting prices, bribing and corrupting cadres, to giving rise to extravagant living, setting Vietnamese against Vietnamese, and inciting intellectuals and workers to flee abroad. That class struggle has taken place on the basis of a developed commodity production economy and a long-standing organic relationship between Saigon and the surrounding localities. At the same time, the bourgeois class there, especially the Chinese bourgeoisie, has had extensive relations with foreign markets. Therefore, it may be said that the class struggle is not limited to the city but encompasses the entire Mekong Delta region and part of Southeast Asia. The bourgeois class there has always had the effective assistance of foreign powers.

Because the economic structure of Ho Chi Minh City is essentially that of a consumer industry, commerce, services, small industry, and handicrafts of a processing nature, the class struggle there not only expropriates ownership and suppresses opposition but essentially must know how to transform, use, and rearrange the economic components, and organize a new economic structure.

After the victory of 30 April 1975 the richest and strongest of the comprador capitalists had to flee. In 1976 and 1977 we nationalized the production and commercial installations of the remaining comprador capitalists, 341 in all, of whom 229 were Chinese. They became increasingly weak but still had latent power because of hidden capital, their business experience, and their wide, very extensive commercial control networks. It may be said that the breaking up of the long-standing monopolistic commercial mechanism of the Chinese bourgeois class in the city was a great victory for the revolution, especially if one realizes that in the past the Chinese bourgeoisie accounted for 50 percent of the bourgeois class in the city but controlled 90 percent of the sources of goods, 90 percent of exports and imports, and 60 percent of retail sales. Furthermore, as a class which had participated in the governmental apparatus the bourgeois class still had many stratagems and knew how to oppose the revolutionary state politically, economically, and culturally.

With regard to most of the comprador bourgeoisie, in 1978 we carried out a transformation primarily by means of the joint public-private form and gradually repaying the industrial bourgeoisie. By the end of that year there had been formed 129 joint public-private companies made up of 9,317 businessmen (525 of whom were members of the bourgeoisie), with total property valued at 71.9 million dong and 16,600 workers. The petty bourgeois were encouraged to shift over to production and 11,761 (including mid-level merchants), including 7,345 Chinese, were employed. However, their positive aspects were not brought into play and most later dropped out or fled abroad. Nearly all who were persuaded to go to develop new economic zones returned to the city. During the past several years we have gained experience in using more appropriate forms of transformation and employment, after a rather long period in which the socialist transformation work was relaxed. In general, the power of capitalism is still considerable. As observed by Revolution 19

of the Municipal Party Committee in March 1983, in fact only the comprador capitalist class in the city has been abolished, but the bourgeoisie engaged in industry, transportation, commerce, and catering have been transformed only partly. The power of the bourgeoisie increased rapidly in commerce (at the beginning of 1984 they still controlled two-thirds of retail sales) and in services (by mid-1984 the city's socialist commerce accounted for only 1.5 percent of services, while the private service sector included 16,000 businessmen and 33,000 workers, and had an annual income of about 10 billion dong).

Another reality that has appeared during the past several years in Ho Chi Minh City is the emergence of a new bourgeois stratum: because we relaxed management, a number of small merchants and small proprietors (most of them Chinese) have grown rich by means of such illegal schemes as speculation, tax evasion, producing ersatz goods, dispersing retail stalls, often hidden under ghost cooperatives and cooperative teams, etc. In 1983, according to a survey in Precinct 1 in Ho Chi Minh City the small industry-handicrafts sector included 1,329 private installations, with 34 Class-A merchants accounting for 60 percent of the capital and each installation employing 10-40 workers. The 15,000 merchants in the commercial sector, 1,225 of whom are Class A, had total circulating capital of about 300 million dong, an average income of more than 500,000 dong, and an average profit of 100,000 dong a month.

The actual situation in Ho Chi Minh City has demonstrated that we should not be subjective and impatient in transforming the bourgeoisie and cannot conclude that we have essentially completed the transformation of private industry and commerce, especially before we have done a good job of managing production and the market and while the class struggle is still complicated and fierce, for the objects of transformation do not appear openly but are usually camouflaged by means of many appropriate operational schemes in order to counter the management policies and measures of the state. Lenin indicated that one of the party's political missions in the period of transition is "enabling everyone to realize that the enemy within us is anarchistic capitalism and the anarchistic exchange of goods" (Vol 44, p 203). The bourgeois class, the object of the socialist revolution, must be gradually eliminated. If, in the immediate future, we continue to make use of some of its positive aspects and allow it to develop to a certain degree, the bourgeoisie must be tightly controlled and they must be forced to accept state regulation. But as Lenin pointed out, the success of that regulation is determined not only by the state but also by the degree of maturity of the proletarian class and the laboring masses (Vol 44, p 418).

The petty bourgeois class in Ho Chi Minh City is very large and includes more than 1 million peasants and more than 160,000 handicraft workers, while the small merchants are the largest group in the city proper. In the past, the peasants outside the city were closely bound to the bourgeoisie by means of the network of purchasing agents and had relatively advanced cultivation techniques. Now 70 percent of them earn their livings collectively but exploitation still exists in many forms, so it is necessary to rely on the solidarity bloc of the working peasants, the most important part of the peasant class who fought heroically under the leadership of the Party for more than half a century, in carrying out the transformation of the rural bourgeoisie and the rich peasants. The transformation of agriculture must be

closely tied in with the transformation of industry and commerce and the transformation of the rural market, and the development of agriculture must be combined closely with industry. Most of the city's handicraft workers have vocational skills, have a tendency toward the spontaneous development of capitalism, and are easily taken advantage of by the bourgeoisie. Although half have been cooperativized, a considerable number of cooperatives and cooperative teams still operate dishonestly and deceptively, and in fact have an owner-worker relationship. During the past several years the number of small merchants has continued to increase. In Precinct 1 alone, between the end of 1976 and mid-1983 the number of people in small commerce and services increased 37.39 percent. Only in 1984 were some principal sectors truly reorganized.

The petty bourgeois class is usually hesitant, vacillating, and two-faced, but is capable of following socialism, especially the peasants. Although the economic strength of the bourgeois class "is represented in the form of each of the petty bourgeoisie," as Lenin said, and the petty bourgeois class aspires to "be free to do business and become rich," and tends to oppose all intervention, supervision, and control of the state, because they have a tradition of following the revolution and we have the advantage politically, if we cleverly find ways to educate and organize the petty bourgeois strata and remove them from the sphere of control of the bourgeoisie they will continue to accept socialist transformation with their status as workers. Of course, as the actual situation in Ho Chi Minh City has demonstrated, it is easier to "defeat" the big, concentrated bourgeoisie than to win over millions of small merchants and small owners.

The more than 20,000 intellectuals in Ho Chi Minh City account for 10 percent of the nation's intellectuals. More than 11,000 of them were trained under the old regime. They were trained in many different places and have many different opinions with regard to their academic specialties. In general, they are nationalistic but some do not yet have truly correct knowledge of socialism, have not been fully utilized, and their capability to serve has not been fully brought into play. The winning over of the intellectuals must be accomplished primarily by means of tying in science with production and life. Since 1981 the city has launched a number of movements to study, research, invent, and innovate, but they have not been permanent and extensive.

The working class forces, including civil servants, total 330,000, 92 percent of whom are members of trade union organizations. It is noteworthy that many of the workers have good vocational skills and high technical levels but do not yet have solid understanding of the historical role of their class. The lives of the workers, civil servants, members of the armed forces, most of the retired cadres, and the poor workers do not yet have stable jobs are still difficult, despite the definite concern of the leadership echelons, and they have the lowest living standards in the city. Ordinarily, if the income level of such categories is 1, the income of the peasants outside the city is 1.3 to 1.5, that of the handicraft workers is 3 to 4 times greater, and that of private merchants is at least 5 to 6 times greater. In the socialist revolution even the working class, the leadership class and the central force of the revolution, must continually transform itself and raise its political, ideological, and organizational levels. Otherwise, it may be affected by the

... of the period of transition, for an objective law

that has been verified in the city is that the class enemies cannot continue to exist on the economic-social front if they cannot collude with, control, and bribe the cadres and personnel who are not yet pure and steadfast toward the regime. That is an important reason why our production results are still low and have declined.

In the class struggle during the period of transition we cannot for a minute lightly regard the cultural-ideological front, especially in an era in which communication technology is highly developed. The enemy, whom we have defeated politically and militarily, often seek ways to counterattack us culturally and ideologically. Furthermore, there is a mutual relationship between economics and culture. If economic difficulties are encountered it is easy for people's thoughts to vacillate and for external cultural venoms to penetrate and for backward cultural vestiges to be restored. At the same time, as the actual situation in the city has demonstrated, when private commerce and the free market have an opportunity to break out there also arises a "commercial" culture which caters to unwholesome tastes which also arise, such as tendencies toward profit-seeking, selfishness, worshipping money and luxury goods, etc. Therefore, with regard to culture and ideology the class struggle must be extremely tenacious, tortuous, complicated, and long range, and must pay attention to its relationship to the actual situation.

The experiences of Ho Chi Minh City during the past 10 years reflect the fact that only when the combined strength of the revolution is utilized and all-round, continuous struggle is waged on many fronts and is coordinated in many relevant spheres can the class struggle and the struggle between the two paths achieve solid results. During the period of transition the proletarian dictatorship must know how to combine economic and political measures, combine education with administration, combine organization with ideology, combine transformation with construction, combine violence with mass proselytizing, and combine compulsion with persuasion. When speaking of class alliances (such as that between the peasants and workers) it is also necessary to adopt the view that an alliance is solidarity and working together to exercise mastership, but is also struggle to overcome the vestiges of private ownership. It is yielding and conciliatory in some ways but also has its transformation and struggle aspects. The class struggle in Vietnam must also know how to bring into play the benevolent tradition of our people, be lenient in dealing with people, use sincere love as an element of conquest, distinguish between political acts on the one hand and psychology and thought on the other hand, and distinguish between the class and individuals, especially under the conditions of the city always having been a place where many people related to the old regime have been concentrated. At present the class struggle must concentrate on the economic sphere, including production, distribution, and circulation, to enable the political accomplishments that have been won to become increasingly solid.

3. In the period of transition to socialism, with regard to economics the most important matter is knowing how to use the specific transitional forms to make step by step progress.

The Sixth Plenum (fourth term) of the Party Central Committee took place at a time when the situation was ripe for realizing that the centralized, bureaucratic, administrative-subsidy mechanism was a major impediment to

economic development, but at that time no new models had appeared. But the years after 1980 have been a period in which "a certain amount of groping, experimenting, and selecting is unavoidable" (Lenin, Vol 36, p 235) to grasp the laws in a certain space and time and to implement the lines and policies with specific forms and measures.

Lenin said that "finding transitional methods the most difficult missions" (Vol 43, p 86), especially because the transitional measures are constantly changing. It is the most difficult but must be carried out, for only then is it possible to advance.

The principal economic characteristic of the period of transition is an economy with many components, but that is not a matter of the components existing together peacefully on a permanent basis but includes struggle, transformation, change, limitation, and development. Initially the state economy is weak and must make use of the other economic components to assist it, especially in the initial phase, when there are many specific transitional forms to resolve the complicated relationships among the economic components in the manner that is most beneficial to the economy, fully exploits potential, and continually develops. In a certain specific situation, sometimes a low-level form is more effective than a high-level form.

How did the transitional economic forms appear in the actual situation of Ho Chi Minh City during the past 10 years?

In the sphere of industrial production, at first we transformed the bourgeoisie primarily by means of joint public-private undertakings in which they were gradually bought out. That failed to exploit the positive aspects of the bourgeoisie. Later, when the form of joint enterprises in which profits and losses were shared was instituted, their positive aspects were developed.

In the sphere of commerce, at first the transformation of the bourgeoisie was carried out primarily by means of encouraging them to shift over to production and utilizing a small number of them. Later, at a time when the state forces were not yet able to assume responsibility for the wholesale trade, the form of joint operations with wholesalers was instituted in a number of essential sectors, while in the retail sector we boldly organized the experienced small merchants to serve as agents or added them to the ranks of state commercial personnel.

In the agricultural sphere we have organized production collectives and agricultural cooperatives, and organized networks to purchase agricultural products or exchange them for manufactured goods that operate directly between the state and the peasants. In addition, it is necessary to set up state farms and stations on former wasteland that is nationalized or contributed to the state.

We cannot use just one economic form but must combine the use of many transitional economic forms that are appropriate for a varied economy with many components. The city has applied many forms toward the bourgeoisie, the small proprietors, the small merchants, and the handicraft workers, from contracting out on bids, contracting out orders, and contracts to sell raw

materials and buy finished products, to setting up production cooperatives, production teams, joint enterprises, cooperative enterprises, neighborhood production groups, "satellite" factories," purchasing and selling agencies, etc. The model grain corporation of comrade Ba Thi is a creative transitional form that implements commercial practices and economic accounting in the strategic grain sector. It boldly employed and transformed small merchants to create 2,272 grain selling agencies in the city which provide rice for 2.1 million people who are not in the categories to whom the state supplies rice. If in the early 1920's the Soviet Union adopted the policy of using big capitalism controlled and regulated by the working class to oppose a sea of spontaneously generated small-scale petty bourgeois production, Mrs. Ba Thi's model proves that it is possible to organize and use small merchants to gradually eliminate the big commercial bourgeoisie.

The comrades in the city think that transformation accompanied by the reorganization of production specialized along the lines of economic-technical sectors and products is the basis on which to implement appropriate transitional forms and use the transitional economic forms in a principled manner. The actual situation has also shown that the nature of the transitional forms and policies is not simple. The cadres and party members must be enabled to clearly understand that "transition" is class struggle and is flexibly making positive use of the form of state capitalism. Socialism develops on the basis of itself but must also know how to use everything that is beneficial to it. The difficulty does not lie in eliminating the private ownership of the means of production by the bourgeois class but in using and mobilizing its capital, business and management experience, and technical skills in the national economy. The form of profit-sharing joint enterprises is regarded as an innovation by the city which allows the exploitation of the capital, technology, vocational skills, installations, and equipment of private individuals and their relatives abroad. It is accepted by the private individuals and the state controls the products, goods, and money and manages the people. The actual situation in the city has also shown that there is a close relationship between transformation and management, so the transitional forms must essentially have the significance of organizing management outside the contents of transforming the production relations.

In brief, the transitional economic forms are the specific application of the economic laws of socialism in the period of transition. The principal standard for evaluating a transitional economic form is the comparison of forces between the state economy and the other economic forces. It is a relationship which mutually affects the economic components which coexist for a certain period of time and is a real results with regard to developing production and improving the people's living conditions. appropriate economic forms that are full of vital force usually do not arise from books but appear in the course of actual daily life. Therefore, it is necessary to diligently seek, uncover, study, and recapitulate them so that they can be perfected and disseminated. Since they are transitional economic forms the period of time in which they will exist or the extent to which they will develop are not uniform but depend on the operation of many inherent contradictions between the positive and negative elements and between socialism and capitalism within each economic form. Then they will be eliminated, "given additional life," raised to a higher level, or transformed into a different, more advanced form. The transitional forms cannot be dealt with formalistically because they are

only transitional and not permanent, for in dialectical life transitional forms are also real and are small bridges and rungs on a ladder leading upward. The models that appear also cannot develop spontaneously but must be guided. In a common mechanism that lacks completeness, like that at present, even the best models can march in place, operate alone, and encounter many restraining difficulties. Some models in Ho Chi Minh City have been accused of committing public crimes.

[12 Apr 85 pp 3, 4]

[Text] 4 In the period of transition to socialism it is necessary to pay special attention to the relationship between the general and the particular, apply general laws which are appropriate to the specific characteristics of the locality and the time, and maintain the principle of democratic centralism when bringing into play the initiative and creativity of the basic units.

With regard to theory, we know that the general lies within the particular, the particular cannot be separated from the general, and both are objective realities which are organically related to each other and on the one hand reflect a law-like nature while on the other hand reflecting the distinctiveness of things.

In guiding implementation, the most correct viewpoint is to enter deeply into the specific and distinctive on the basis of the general, fully exploit the potential and strength of the particular and make it part of the common strength, contribute positively to the general, move in the orbit of the general, and further the development of the general.

Everyone knows that Ho Chi Minh City has complicated and variegated characteristics. It is the largest city, has the greatest and most concentrated industrial and handicraft production capabilities, has highly developed commodity relations, and has many different kinds of production relations. At the same time, it is a large consumption market, has a bourgeois class which has significant economic forces, has considerable political experience (it once controlled the puppet administration) and business expertise, especially in commerce, and is capable of monopolizing the economy of the entire region. It not only has roots among more than 800,000 small producers and merchants in the city but also has rather extensive international relations with foreign markets. In the city the great majority of the people are patriotic and support and participate in the revolution. There is a large force of industrial workers and handicraft workers with good vocational skills and many intellectuals who were trained in many different places and supplement one another. But at the same time it is a place where there still exist many consequences and harmful influences of the old regime. Its economy is a many-component economy of the period of transition, but the city now has the largest sector in the nation with regard to the joint public-private, private capitalist and small producer components. In 1983 the city still had 800 private enterprises and thousands of individual small industry and handicraft production installations, and 126,000 small merchants and service workers, some of whom also produce. Another characteristic that differs from the nation as a whole is that at a time when many places are "hard up not so much because of capitalism as because of a lack of capitalism" (Lenin), perhaps Ho Chi Minh City is in an opposite situation, for capitalist

commerce is rather well developed there. We must know how to use it, to simultaneously transform and use it, and to use it while transforming it. If not it can cause us many difficulties.

The above-mentioned situation makes it necessary that the city's economy must create its own path of advance when difficulties and problems are encountered. That is the objective source of the city's dynamism and creativity. The city's party organization and governmental administration, responding to the situation, have taken the initiative and actively brought its strengths into play to overcome difficulties and master the situation. For example, it has begun to exploit its superiorities with regard to the industrial, small industry, and handicrafts sectors, its position as a center of goods distribution and international trade, with regard to its equipment and technical levels, and with regard to its close market relations with the Mekong Delta. If those special characteristics of the city are not understood it will be difficult to fully realize its initiative and creativity. If we do not boldly make use of those special characteristics it will certainly be difficult to have a spirit of revolutionary offensive and the situation of tardiness and conservatism and backwardness will be prolonged. The city in the course of the actual situation gradually grasped and became profoundly aware of its special characteristics. Therefore, it applied the Party's common political and economic lines more and more concretely and effectively. That relationship between the general and the specific was manifested in both aspects: between the common situation of the nation and the particular situation of the city, and between the general laws of the socialist process and the immediate requirements of the initial phase of the period of transition.

Although Ho Chi Minh City has many special characteristics it still reflects the basic general situation of the nation as a whole. Because we pose the question in that manner, manifested in the slogan "for the sake of the entire nation the entire nation advances together," we see that the city has developed more and more strongly and stably, for ordinarily only if there are correct general viewpoints can the good resolution of the specific particular problems.

Furthermore, because it has entered deeply into studying its special characteristics the city has contributed to concretizing lines and organizing their effective implementation. The actual situation during the past 10 years has demonstrated that the most basic problems of the city are also problems of general significance for the entire nation. Economic leadership cannot be impatient, subjective, or coercive. At a time when the transitional economy is still made up of many components and the new regime has only political superiority and does not yet have real economic strength, the economic mechanism is centralized and subsidizing in nature, so wanting to firmly control everything from the beginning is inappropriate, and often being too firm results in being too loose. The economic laws of socialism cannot be fully brought into play all at once; their effect depends on the degree of ripeness of the socialist production relations and the development of the corresponding production forces. We must know how to organize and develop the socialist economy step by step, by means of many transitional forms and measures, in order to advance. Especially under the conditions of starting from a situation of essentially small-scale production, it is even more necessary to know how to build many interconnecting bridges. Wanting to

eliminate phases and to clear away all trash with one sweep of the broom is a form of petty bourgeois revolutionary infantilism which is not easily buried six feet under the ground; especially after a great victory it can easily come back to life in attractive forms. The problem is that when dealing with the economy one quickly encounters problems and becomes discouraged. For example, market management was relaxed for a time because the problems were thought to be very difficult and seemingly unsolvable.

We must know how to combine planning with the market; the law of planned, balanced development only exerts a real effect when it is combined with the law of value. Therefore, it is necessary to implement socialist commerce and economic accounting. In the initial phase of the period of transition, a plan that is apart from the market is only a subjective, bureaucratic plan that has no actual basis. It is unrealistic and harmful to immediately eliminate the market mechanism. On the contrary, it is necessary to use the market in a way that serves the great undertaking of socialist construction. Making planning the central concern does not mean undemocratic centralization; we must gradually tie in planning with the market by developing the right of the production bases and localities to take the initiative and drafting plans at three echelons, from the bottom up. Ho Chi Minh City, on the basis of the land, labor, natural resources, and material-technical bases of the city and the region, and the policy of drafting plans at the basic unit level, and implementing three-part plans, organized the balancing of plans based on many sources of capabilities. The balancing of plans drafted by the state is still carried out by means of economic accounting, which has been the case for a long time now, and production costs are calculated to attain greater accuracy. With regard to the parts of plans balanced at the basic level, the city guides commercial accounting according to negotiated prices. Profits are calculated by subtracting total expenses from total income and payments are made to the treasury in the form of commercial taxes and income taxes. Products are distributed according to economic contracts and the remainder are turned over to the state.

Economic work and socialist construction by millions of the masses cannot be based only on ideology and enthusiasm, but must be based on economic interest, and we must know how to provide material incentives. Engels stressed that economic principles which are only concepts and not actual benefits are only the objects of a temporary ardor or of a superficial high tide (from "The Sacred Family"). Ho Chi Minh City at an early date introduced economic benefit into the current agenda of the period of transition to socialism. Benefit is the objective manifestation of production relations and reflect the true nature of the economic relations and motivation of mankind. In an economy in which there are still many components we cannot but harmonize the interests of the classes and the social groups by means of struggling, developing, and limiting. Interests must be understood in the context of the three interests under socialism, and individual interest is not the highest interest, although it plays an important role. It is the most vital interest of the working people. Emphasis on economic interests attacks ascetic egalitarian socialism and the bureaucratic, administrative-subsidizing, and centralizal management mechanism, creates true vital force for the principle of distribution according to labor, and promotes the reciprocal effect of distribution on production. Due to proper attention to the three interests, the real income of workers in the city increased in a stable manner from 200

dong per person per month in 1980 to 1,500-2,000 dong per person per month in 1984. Meanwhile, the interest of the state has been ensured and the development of the collective interest is manifest in the investment to expand many enterprises, modernize the material-technical bases, and increase production capacity. The area, equipment, materials, and capital of many commercial, service, and export-import bases have changed. In order to ensure all three interests and create material incentives for economic activities, it is essential that the mode of economic accounting and the price, salary, and bonus mechanisms had to be changed. The city boldly improved its price mechanism, implemented prices based on two-way contracts and negotiated prices based on the general price framework, and formed economic alliances to create sources of goods, raw materials, and materials. On that basis it changed the methods of paying salaries and bonuses to accord with the forms of contracting output, contracting the total salary fund, and contracting commercial income. Then it expanded the forms of creating capital: capital generated from economic cooperation, alliances, and joint operation, from exports and imports, from internal production, distribution, and circulation, from cooperation and joint operations with foreign countries, by utilizing relations with overseas Vietnamese and remittances from overseas, and by developing services, including export services.

In advancing from small-scale production to large-scale socialist production it is essential that we promote the production and exchange of goods. Therefore, firmly grasping the buying-selling and commercial aspects is very important in order to stimulate the development of production. It is necessary to strengthen socialist commerce, base ourselves on the commercial mode, gradually expand the organized market, and at the same time know how to apply and use the free market, not abolish and forbid it, which Lenin regarded as stupid, suicidal acts. The relationship of supplying materials and turning over products is noneconomic and causes dependence, negativism, and sluggishness in production. Experience also shows that the relationship of exchanging materials for goods is also very limited and is thus implemented only with regard to a number of special goods, while on a large scale only the money-goods relationship can speed up the production and circulation cycle and reduce the middlemen, arrogance, corruption, and waste. There are even strange special interests who took the output of the production organs. Prior to the liberation Saigon was a city which enriched itself more by trading than by production. It had a rather high commercial level and extensively developed commodity relations, so at present the distribution-circulation sector is still one of the city's weaknesses. The free market still exerts a strong effect and prices still undergo major changes, which is not surprising, especially under the general circumstances of production still experiencing difficulties and the living standard still being low. Furthermore, there is another subjective factor: there are still deficiencies and shortcomings on the distribution-circulation front, which is not a deficiency of Ho Chi Minh City alone.

We must obey Lenin's teaching that free commerce and private capitalism can be allowed to develop only to a certain extent, with the conditions that they be subject to national regulation. We must also be imbued with Lenin's viewpoint that engaging in business is also revolutionary and merchants should not be regarded as being bad, that in a small peasant economy that is advancing to

socialist it is inevitable that the proletarian state play the role of a wholesaler, and one should not confuse the psychology of a merchant with socialist commerce.

In that regard the city has brought forth a number of experiences: the development of socialist commerce accompanied by the use of cooperative commerce and private agencies, gradually gaining control of all essential goods, tightly controlling the wholesale trade, developing and controlling the sources of good without regarding lightly the organization of retail sales, tying in commerce with the lives of the workers, civil servants, and people at the basic level, and applying many rich, flexible forms, from economic contracts to exchange products, exchanging at equivalent prices, and the two-way exchange of goods to joint operations to open stores, outright buying and selling, the setting up of many agencies, the use of some small merchants, wholesalers, and itinerant merchants, the organization of market management, etc. Recently a number of sector corporations responsible for managing the entire sector in the sphere of the city, reorganizing the market along the lines of a division of labor among sectors, controlling all wholesaling, and organizing distribution directly to the consumers have been officially set up and operate according to temporary regulations.

The city's actual situation also indicates that it must comprehensively resolve the distribution-circulation problems, make use of all economic tools and levers, and especially do a good job of resolving problems regarding prices and salaries and of controlling goods and money, for only then is it possible to tightly manage the market and gradually stabilize it. The most important matter is understanding very clearly that although production is the root, the time has come when the actual situation has caused distribution and circulation to exert a strong reverse effect on holding back or developing production, so distribution and circulation should not be regarded as the tail of production. Instead, we must resolutely and cleverly master the distribution-circulation front, which is now a hot topic, in order to stimulate production, and must master the entire process of social production. At the same time, that is a matter of vital interest to the people's lives, the stabilization and improvement of which are one of the immediate struggle goals of our entire party and population.

The matter of firmly grasping the correct relationship between the particular and the general is important not only with regard to viewpoints and lines but is significant with regard to renovating the economic-social management mechanism. A basic principle of socialist economic management is democratic centralism. That is a basic principle for resolving the relationships between the central level and the city and among the basic, precinct, and municipal levels. The evil of bureaucratic centralization reflects the situation of excessively stressing the general and ignoring the particular. On the other hand, if we only stress the particular and separate ourselves from the general we cannot avoid the phenomenon of violating the common interest. At a time when the right of the basic units to take the initiative in production and commerce and their right of financial autonomy are being expanded it is even more necessary to fully understand and oversee the implementation of the principle of democratic centralism.

[13 Apr 85 pp 3, 4]

[Text] 5. In the course of the actual situation over the past 10 years the city has been able to set for itself the course of advancing along the lines of agricultural-industrial-export alliances in the sphere of the entire region and fully utilizing and exploiting all of its strength and potential as well as those of the Mekong Delta provinces and the neighboring provinces.

That is also the path of advance of our entire nation in the initial phase of the period of transition to socialism.

From the actual situation a conclusion has been reached that the city can advance and grow only on the basis of "three feet":

--Its own strength with regard to its industrial and handicraft production capability.

--Its strength as a trade center with close ties to the provinces in a region with very rich agricultural and fishing capabilities.

--The strength of an economic relationship in which the city occupies the important position of an important and convenient gateway.

As we all know, the city has great advantages with regard to industry, including central industry, local industry, modern industry, small industry, and handicrafts. In the past 70 percent of the enterprises and 80 percent of the industrial production capacity of the south were concentrated in Saigon. Today the city, with .6 percent of the nation's area and 6 percent of its population, is fairly strong with regard to the textiles, food, consumer and manufacturing machinery, construction materials, and other sectors, and in general has a high technical level and good commercial quality. The city's textile sector accounts for 50 percent of the nation's cloth output, its tobacco sector accounts for 42 percent of the national output, the canned goods sector accounts for 42 percent of the national output, the sugar sector accounts for 32 percent of the national output, and the glass sector accounts for 53 percent of the national output.

The two principal weaknesses with regard to industrial production in the city, as in the nation as a whole, is that raw materials, fuel, materials, and spare parts are largely dependent on foreign sources because of the consequences of neocolonialism, and a serious lack of balance between the production of production means and the production of consumer goods (which account for nearly 90 percent of the industrial output structure). Therefore, during the past several years the city's economy has operated under the pressure of severe contradictions: the living standard is low and capital accumulation is miniscule, at a time when there is excess capacity (only 30 to 40 percent of the industrial capacity is being utilized) and there is a labor surplus (at the end of 1983 180,000 people were still unemployed).

With regard to agriculture, the areas outside the city account for 93.5 percent of its natural land area and 29.9 percent of its population. There are 114,00 hectares of agricultural land but there is very little rice land

and only 200,000 tons of grain are produced annually, which is only sufficient to meet the needs of the agricultural population. Recently agriculture has developed along comprehensive lines.

During the past several years, although some difficulties have been resolved and many aspects have been stabilized, efforts must still be made to develop the city's production basically and strongly.

In order to open a way out it is necessary to gradually build an industrial-agricultural economic structure in combination with the promotion of exports. As pointed out by the Third Congress of the Municipal Party Organization, "It is necessary to step up the rate of industrial and agricultural production, combine industry with agriculture, achieve economic cooperation between the city and the provinces and municipalities in the region and throughout the nation, and complete at an early date the industrial-agricultural economic structure in the sphere of the city and the region." a regional industrial-agricultural structure is the basis on which the city can promote industrialization, manifest its role as an industrial center, and develop its economy. The way to overcome difficulties and develop is to promote economic cooperation, alliances, and joint operation and promote export-import activities.

In building an industrial-agricultural structure in the immediate future Ho Chi Minh City must take aim at the objectives of foodstuffs, agricultural raw materials, the processing industry, and exports and imports, essentially by means of endeavoring to fully utilize the existing production capacity of its modern industry and reorganizing production and circulation, in combination with transforming the processing installations and forming alliances between them and the raw materials areas, forming alliances based on production sectors and products, forming alliances between enterprise federations and combines and the satellite networks of cooperatives and individuals according to product groups. To combine industry with agriculture is first of all to combine the city's industry with agriculture outside the city, to organize joint operations among the agricultural cooperatives and production collectives, and to create economic-technical clusters, agricultural-industrial districts, and even joint industrial-agricultural enterprises (a development of the An Ha state farm). The city must reorganize its economy along the lines of specialization combined with a division of sectors, a division of labor, and decentralization, and further the process of accumulation and concentration. On that basis it must exploit and utilize its potential with regard to industrial, small industry, and handicraft production, commerce, and services, and the potential with regard to raw materials, consumer goods, and exports obtained from the agriculture of the provinces. The city must develop and expand economic cooperation and alliances in order to balance plans from the four sources, set up four commodity funds, and create combined strength with which to overcome difficulties and develop production. The city must gradually establish appropriate economic relations and appropriate forms of alliances: industrial-agricultural alliance to create raw materials areas and sources of raw materials and to create new products; area alliances to utilize technical labor; cooperation and joint operations to create sources of goods and consumer markets; alliances to develop exports and imports, including the processing of export products; cooperation and alliances between production

and science and technology (a municipal technical service corporation has been organized and carries out many research projects for the provinces); alliances that advance from a low level to a high level, such as advancing from doing contracted out work, doing repair work, and making spare parts to exchange for agricultural products to signing contracts to the outright buying and selling of products, or advancing from partial joint operations to all-round joint operations (on the model of Doc Nong, which was developed into a forestry-agricultural-industrial district by the Ministry of Forestry, Dac Lac Province, and Ho Chi Minh City). The results have been very great. In 1983 the city formed alliances and joint operations with 30 provinces and municipalities and created commodity funds valued at more than 3 billion dong, which increased to more than 7 billion dong in 1984. By means of economic cooperation and alliances with individual production installations the Cuu Long Jute Enterprise has ensured sufficient raw materials to enable production to develop at a high rate since 1984. The Southern Soap Powder Corporation by means of cooperation and alliances has met 50 percent of the requirements of its plan, produced four new products, and increased its annual output from 700 tons in 1980 to 4,500 tons in 1982. Because of economic alliances it has been possible to exploit the capabilities of waste materials and scrap. For example, between 1982 and 1984 the metallurgy-steel rolling enterprise federation was able to utilize nearly 40,000 tons of scrap of various kinds.

However, in general the results are still below the potential and it is possible to further expand economic alliances between the city and the provinces. Above all, the Mekong Delta region must make the regional economy a content of the state plan in a spirit of socialist division of labor and cooperation. It is estimated that if the city forms economic alliances with the Nam Bo provinces by 1990 there will be capabilities for providing more than half of the nation's grain and consumer goods, and prospects will be created for rapidly increasing accumulation in order to carry out socialist industrialization.

Because of its position the city must boldly export and import, and regard that as a strategic mission and as a matter of life or death. First of all it must import the raw materials and spare parts needed to resolve the bottlenecks in production and save the working class itself by not allowing it to lack jobs, concentrate production on a number of key products which it is technically capable of producing and which can compete on the export market, expand economic alliances with the provinces in order to step up the contracted out processing of export goods, use imports to nourish exports, increase exports in order to expand imports, enable imports to have greater strategic importance by importing modern production forces, and reduce the time required to carry out the socialist industrialization of the nation.

The city's experiences regarding exports and imports in recent years has clearly shown that it is necessary to respect the foreign trade monopoly, which has a concentrated nature, while also carrying out a specific division of labor and decentralization, for only then is it possible to rapidly expand foreign trade. It is also necessary to have a basic orientation in foreign trade toward the community of fraternal socialist countries while also knowing how to develop many other directions, and to both gradually build concentrated export production while not ignoring small-scale exporting, which is very important under our conditions (in Ho Chi Minh City there is a small factory

producing canned goods for export with only 40 workers which is able to produce 4 million dollars worth of goods a year because its director is a skilled manager, makes good use of science and technology, and is responsive to the tastes of the international market). Because it took the initiative and was active in importing and exporting the city at one time accounted for 40 percent of the nation's exports. Now, imports for production that are derived from exports meet 25 to 30 percent of the plan needs. The Thanh Cong textile mill, implementing a plan to borrow foreign exchange with which to import raw materials and materials in order to produce export goods, met all of its plan needs and in 1984 had nearly 4 million dollars of self-produced capital for in-depth investment. The city is expanding cooperation and alliances with the provinces in order to promote exports and imports, especially in the sphere of catching, raising, and processing maritime products, raising ducks to obtain eggs, or investing in water conservancy in order to expand the area planted in sesame, forming joint operations to grow jute, etc.

In brief, the model of triangular industrial-agricultural-export alliances is not only a distinctive feature of Ho Chi Minh City but also has a general significance for the national economy and verifies the economic line of our Party: advancing on the basis of agriculture, using industry to affect agriculture, regarding exporting-importing as being of strategic importance in order to connect the national economy with the world economy in the present era and develop our country into a modern industrial-agricultural nation a worthy international position with regard to more than politics.

6. The city, with dynamism and creativity, and bringing into play the leading role of the party organization and promoting the revolutionary mass movements, emphasizing the collective mastership right of the working people, and ensuring the positiveness and initiative of the basic subprecinct-village level, contributed at an early date to renovating the national economic management mechanism.

Two important elements in the city have contributed to changing the economic-social management mechanism: the dynamic, creative leadership of the municipal party organization, first of all the municipal party committee, and the fact that the city is one of the places which has paid attention to developing the role of the basic subprecinct-village level in economic management. In 1981 it promulgated a relatively complete decision of the municipal party committee regarding the organization of the basic subprecinct level and the industrial enterprise organizational mechanism. In 1982 the decision regarding the organizational mechanism of the basic village level was reviewed, supplemented, and developed.

The dynamism and creativity of the leadership cadres in the city are due above all to the fact that most are cadres who have actual experience and matured under wartime conditions which required them to be creative and sensitive toward the difficulties of the masses and the new things that arise. They also live in a lively city which has a rapid industrial pace and is full of fierce contradictions. That dynamism and creativity are very precious and are in accord with the requirement to overcome the general situation of conservatism and sluggishness.

Furthermore, in order to concretize the Party's line, meet the urgent needs of production and life, and overcome our weakness, the organization of implementation, the city found it necessary to resolve problems at the basic level. Because it went to the Thanh Cong textile mill and directly studied the situation it adopted the policy of allowing the use of exports and imports to create a way out for production.

In order to strengthen the leadership of the Party the city has regarded building basic party organizations, especially in the state enterprises, as a task that is both urgent and has a basic strategic significance. The party building work in the city is tied in with the renovation of the economic management mechanism, with selecting and correctly deploying core cadres, with fulfilling the control function of the basic party organizations, and with responsibility to proselytize the masses and strengthen party members with regard to quantity and quality. According to the experience of Ho Chi Minh City, if the basic party organizations are good the enterprises are good and stable. At times an enterprise is good in the beginning but the basic party organization is weak and becomes an appendage of the director, so later mistakes are made. Attention has also been paid to building the party at the subprecinct and village levels. On the basis of the actual situation of the city's management in the period immediately after the revolution and the experiences of the advanced models in developing production, showing concern for living conditions, and maintaining order and security, such as in Subprecinct 10 in Precinct 3 and Subprecinct 4 in Precinct 11, the municipal party organization soon realized the strategic importance of the subprecinct level and began to build the organizational mechanism at the subprecinct level. At present the city has about 2.7 million people living in 237 subprecincts. Most of the people are large and small private merchants, small industry and handicraft craftsmen, and people engaged in service trades. The city is experienced in bringing the people's collective mastership right into play at the basic level. Above all it knows how to do a good job of resolving the most pressing problems which are relevant to the daily interests of the working people (jobs, security and order, material and cultural lives, etc.) and know how to rely on the people in developing local production, emphasize small industry and handicrafts, and produce goods with readily obtainable raw materials which do not require high technology. Here the matters of finding ways to mobilize sources of capital, locating raw materials, and organizing labor are decisive. The city has boldly decentralized management to the precincts and subprecincts, with specific contents and a division of responsibility within the over-all sphere of management in the city. Ordinarily they have both administrative management and economic management functions. Even the market must be mastered at the basic level. Distinctions are made among the different subprecincts but the goal is enabling all subprecincts to have their own plans and budgets. At present, 20 percent of the subprecincts in the city have total production values of between 20 and 55 million dong (in fixed 1970 prices), 50 percent of them have total production values of between 10 and 20 million dong and the average annual turnover of the districts is between 10 and 50 million dong. By means of the formula of the state and the people working together the subprecincts have changed the appearance of the city by building day-care centers, nursery schools, and public health stations, repairing and building public housing, and improving the lighting of streets and alleys that are too dimly lit. In production and commerce, showing concern for the people's lives, maintaining security and

order, and educating youths and teenagers, a matter of no less importance is contributing to building the new socialist man and creating among the masses confidence in the new regime.

The actual situation in the city clearly shows that it is necessary to build the new management mechanism from two ends: the party organization provides dynamic, creative leadership and brings into play the collective mastership right and positiveness in politics and labor of the working masses. There is a reciprocal effect between the mass revolutionary action movement and the party building work. Outstanding creative features of the mass revolutionary movement in the city are relating very closely to the actual production and commercial situation, closely combining socialist emulation with the renovation of the management mechanism, and on that basis creating advanced models which can be extensively propagated to create the strength to turn around the situation. Such models include the Grain Corporation, the Thanh Cong Textile Mill, the 2-9 Pharmaceutical Enterprise, the Rubber Industry Corporation, the Southern Soap Powder Corporation, Department Store No 2, the consumer cooperative of Subprecinct 3 in Precinct 3, the Hoa Lu Nursery School, the Le Hong Phong General Secondary School, the University, the public security police of Subprecinct 10 in Precinct 11, Subprecinct 10 in Precinct 11, and Subprecinct 10 in 3, the armed forces of Subprecinct 11 in Precinct 3, Cu Chi District, etc.

The 10 years of revolution in Ho Chi Minh City have been extremely rich and changing and it is not possible to definitively deal with all matters in an introductory article. We only seek to, on a theoretical level, outline matters most directly related to affirming the correctness of our Party's line in the present revolutionary phase. Of course it is necessary to compare and combine the experience of Ho Chi Minh City with the experiences of many other localities throughout the nation. And of course each problem that is posed can develop into a useful theoretical research topic.

5616

CSO: 4209/382

ECONOMIC PLANNING, TRADE AND FINANCE

TIEN-GIANG PROVINCE, AGRICULTURAL COLLECTIVIZATION

Hanoi INFORMATION-DOCUMENTS in English 1 Apr 85 pp 19-24

[Text] Tien Giang is one of the nine provinces in the Mekong delta which have been picked by the central administration to be pilot regions for agricultural collectivization. At the beginning, however, the results were not satisfactory. As in other regions, hitches developed for the endeavour was not a simple one. What is to be noted here is that in face of obstacles, the Party committees at various levels, the local administrations and mass organizations in Tien Giang did not waver. They perseveringly studied the Party's guidelines and policies on socialist transformation and found an orientation and methods of work which suited the socio-economic conditions in the region.

The Methods Used

After liberation, Tien Giang immediately set about restoring and developing agriculture, at the same time step by step introducing the peasantry to the collective way of working. The feudal relations of production were abolished by persuading the owners to give up or to sell, and by confiscating from them, more than 12,000 hectares of land belonging to 174 landlords, 468 rich peasants, a number of wicked puppet officials guilty of crimes against the people, and 250 pagodas and monasteries (out of a total of 344) with large areas of fields rented to tenants. This land was distributed to 13,000 peasant households with no or little land. In addition, 2,000 middle peasants were persuaded to hand over part of their fields to 2,200 poor peasants with little land to till.

Having solved the land problem, the province was able to mobilize the peasantry to develop production; at the same time it sought to organize them, muster their energies for public-interest works, and foster their spirit of responsibility vis-a-vis the community. A seething movement was started for building water conservancy works at the communal, inter-communal and district levels. In 1976-78 in the whole province, a total of 4.6 million man-days was devoted to the building of 12 kilometres of sea dykes, two district water conservancy systems, six dams, and 146 kilometres of embankments. The movement continued to develop in subsequent years.

Collective labour was also required for putting in good repair roads damaged during the war. In three years of hard work, the people built 450 kilometres of rural roads which linked hamlets and villages together. This has led to closer relations among them in both production and everyday life.

The organization of collective labour has been gradually undertaken. Right in the first post-liberation years, work exchange teams which had existed in certain localities even during the war were set up in the whole province. Then they were upgraded into solidarity-for-production teams and groups, in which the peasants got acquainted with the collective and planned way of working and the future organization of cooperatives. By late 1977, there were 4,884 such teams and groups in the whole province, whose membership comprised almost the totality of the peasantry.

Those solidarity teams were gradually upgraded in two directions: cooperativization and intensive cultivation. Many became production collectives (small cooperatives), which subsequently amalgamated into cooperatives tilling 200-300 hectares of land.

Over the past three years, a large number of solidarity teams have become production collectives and farming cooperatives. The contract system has been applied and has contributed to their consolidation and progress.

By late 1984, 90,000 hectares of land out of a total of 110,000 in the whole province had been collectivized. Collectivization, in the form of production collectives and farming cooperatives, involved 807,000 out of a total of 1,035,000 rural people, 145,000 out of a total of 182,000 peasant households, and 380,000 out of a total of 481,500 working farmers.

In the course of agricultural transformation, the provincial authorities have paid due attention to State-run production and technical-service facilities; built close ties between the collective sector and the family sector of the economy; combined the transformation of agriculture with that of industry and trade; and organized, alongside the production collectives and farming cooperatives, buying-and-selling cooperatives, credit cooperatives, and small-industry and handicraft cooperatives.

Acting upon the watchword "Parallel efforts by the State and the people", in the four years between 1980 and 1983, the province invested nearly two billion dong in water conservancy works, tractor stations, engineering workshops, seed-and-strain stations, plant protection stations, veterinary stations and small processing plants for farm produce. The area benefiting from proper irrigation and drainage has increased threefold, and 40 percent of the land has been re-arranged with a view to intensive cultivation and crop multiplication. Wide application has been made of achievements in the biological sciences. The structure of crop and animal raising has been rationalized. Progress has been recorded in the methods of tillage. New plant and animal strains have been raised; insurance for crops and animals contracted; organic fertilizers used in combination with chemical ones; successful pilot experiments multiplied, as in the case of the high-yield ricefields (10,000 hectares) of Cai Lay district.

Particular attention has been paid to cadre training. By October 1984, nearly 45,000 cadres have been trained for agricultural collectivization.

In sum, Tien Giang province has undergone all-sided development in agricultural production: crop farming, animal husbandry, trades and crafts. By 1983, average paddy yield throughout the province was 68 metric quintals per hectare per year. It was 105 quintals in Cai Lay district. The individual food ration had increased twofold; so had the peasants' income in paddy value. Deliveries to the State have consistently surpassed the planned quotas. In 1983, they totalled 196,347 metric tonnes of paddy (an average of 1,776 kilos per hectare); in 1984, while the planned quotas were 220,000 tonnes, 230,000 tonnes were actually delivered, an average of 1,958 kilos per hectare. The peasants' living standards have been gradually improved; the countryside has put on a new face. Most communes boast health stations, maternity homes, schools, kindergartens, administrative offices... On the strength of those achievements, Tien Giang was a national pace-setter in 1983 with regard to average farm yields, and topped the list of provinces in former Nam Bo with regard to progress in collectivization.

The Hitches

Before such achievements were recorded, hitches were unavoidable. Typical is the case of Tan Hoi commune in Cai Lay district.

The commune received the title of Heroic Commune in the anti-US resistance. The population showed high political awareness and the cadres had proved to be good organizers. On the strength of those creditable features, Tan Hoi was picked to be a pilot centre for organizing a commune-size cooperative. But in spite of the above strong points and the application of experience gained in the North, the attempt proved to be a failure. The lesson drawn therefrom was the following: before a commune-size cooperative can be organized and made to operate, the people must be acquainted with lower forms of organization and the local cadres must receive proper practical training. One should first set up such a lower form of collectivization as the solidarity-for-production team, which is later to be upgraded into a production collective and eventually a farming cooperative. In fact, the solidarity-for-production team was devised by this locality following the failure of the attempt to organize right away a large-size cooperative.

Likewise, in 1978-79, the peasantry was urged to set up hundreds of production collectives and farming cooperatives in a massive drive. Compulsion, subjectivism, impatience, neglect of the principle of free consent led that campaign to failure. The peasants worked with little enthusiasm; land was left idle; yields were low; living standards declined. The collectivization movement was set back. The provincial authorities finally decided to maintain only viable production collectives and farming coops; the rest were downgraded to solidarity teams and consolidated. As time passed, the peasants would gradually see the advantages of collective work and voluntarily join higher forms of collective organization of production.

What Remains To Be Done

Agricultural transformation in Tien Giang has involved four models of rural cooperatives: farming cooperative, buying-and-selling cooperative, credit cooperative, small-industry and handicraft cooperative. The socialist revolution in the countryside is to be carried out step by step; transformation must go hand in hand with the development of production, and the advance to large-scale socialist production must take place gradually. After winning the above-mentioned successes, Tien Giang plans to give a fillip to the following:

1. To consolidate and reinforce the socialist relations of production; make active preparations, especially build the necessary material-technical infrastructure, in order to organize higher-level cooperatives on a suitable scale; improve the management of all four kinds of cooperatives; perfect the product-based contract system, which is to be applied down to the individual farmer.
2. To perfect the economic structure by developing agriculture all-sidedly (crop farming, animal husbandry, fishing, forestry); combine agriculture with industry; reorganize goods circulation and distribution; develop trades and crafts. To this end, the following must be carried out: basic surveys, zoning, planning, especially at district and grassroots level.
3. To solve problems relating to prices, two-way contracts, policies regarding various kinds of cooperatives, etc. To perfect the mechanisms and machinery of economic management and State administration at various levels.
4. To correctly implement the resolutions of the Party Central Committee on the building of the district echelon and the consolidation of the grassroots.
5. To boost cadre training, especially with regard to managerial cadres for cooperatives, scientific and technical cadres, and other specialist cadres.

CSO: 4200/899

3 June 1985

BRIEFS

YOUTH LABOR VOLUNTEER FORCE--Hanoi, VNA, April 4--Since 1976 fifty thousand young men and women of Ho Chi Minh City have joined the Youth Labour Volunteer Force to carry out such tasks as production, fighting and combat support over a wide area stretching from the southern part of the Central Vietnam Highlands to the Mekong River delta. They have dug and moved 6.5 million cubic tons of earth and rock for the building of irrigation works and roads, opened up or restored to cultivation 38,000 hectares of farm land, built 46 "new economic villages" and helped 40,000 city dwellers to have a stable life at the new settlements. Over 10,000 members of the force have taken part in actual combat against the Polpotist intruders, in combat support duties, or joined the army volunteers in Kampuchea. Since early this year 20,000 more young people have joined the force. They are doing such jobs as expanding the "green belt" around the city, dredging 5,000 hectares of ponds and lakes at the construction site of the Tri An hydro-electric power plant, afforesting nearly 10,000 hectares of denuded land in the southern part of the Central Highlands, and building new farms timber sites factories. [Text] [Hanoi VNA in English 4 Apr 85]

MERCHANT MARINE 20TH ANNIVERSARY--Hanoi VNA April 9--The Vietnamese merchant marine is now running three shipping companies totalling nearly half a million in deadweight tonnage, a 35-fold increase compared with 1965 when the service was set up. [Text] [Hanoi VNA in English 9 Apr 85]

CSO: 4200/906

BRIEFS

AGRICULTURAL COLLECTIVIZATION--Hanoi, VNA, April 3--The agricultural collectivization has been stepped up in the Mekong River delta provinces with almost 300 agricultural cooperatives and more than 24,000 production collectives set up so far, which involved nearly 65 per cent of arable land and 61 per cent of the peasant households. The province of Tien Giang is taking the lead with 87 per cent of its peasant families joined cooperatives and collectives. Thanks to this and the intensive farming of high-yield rice strains as well the delta's food output last year reached 6,964,500 tons, a 7.5 per cent increase over 1983. Out of nine provinces in the region, four surpassed their 1984 plan of food production, and eight fulfilled their food procurement duty to the State. [Text] [Hanoi VNA in English 3 Apr 85]

CSO: 4200/904

TRANSPORTATION AND COMMUNICATIONS

BRIEFS

METEOROLOGIC-HYDROLOGICAL STATIONS--Hanoi, VNA, March 25--A system of 458 stations for meteorologic and hydrological observation has been built across the country. These include 155 stations for climatic and agricultural meteorology, 14 radiation gauge stations, and 250 hydrologic stations. These stations have effectively contributed to reducing the damage caused by natural disasters as well as providing valuable data for the designing and construction of transport, irrigation and hydro-electric projects, including the 1,900MW Hoa Binh hydro-electric power plant on the Da river, and the Thang Long and Chuong Duong Bridges in Hanoi. [Text] [Hanoi VNA in English 25 Mar 85]

CSO: 4200/900

MODEL HOSPITAL IN HO CHI MINH CITY DESCRIBED

Hanoi VNA in English 1 Mar 85 p 3a

[Text] Hanoi, VNA, March 1--The Dien Bien Phu hospital in Ho Chi Minh City is specializing in eye, ear and throat, dento-maxillo and facial diseases.

In the old regime, it was the Saint Paul clinic, a private medical institution exclusively reserved for the rich. It was turned over to the People's Administration in August 1978. Since then, it has been transformed from a polyclinic into a specialized hospital giving free treatment to patients.

The 300-bed hospital staffed by more than 400 cadres, including 60 physicians and pharmacists, each year gives treatment to some 150,000 people. The number of out-patients is ten times larger than that of in-patients.

Since 1980 many mobile teams of the hospitals have given medical care to school-children in Ho Chi Minh City and toured many suburban regions and neighbouring provinces.

In addition to refresher courses opened for the hospital's employees on a permanent basis the hospital has opened training courses for many medical cadres of precincts and districts. With the assistance of the hospital, all the 18 precincts and districts of the city have opened departments specialized in eye diseases.

Great efforts have been made by the hospital to cure many dangerous cases. The hospital is promoting the combination of western and eastern medicines in treatment.

In 1984, 27 scientific projects and 165 innovations were introduced by the hospital, of which many were highly valued, including the detection of deformed eyes and lips, and the organization of special classes for cross-eyed children.

CSO: 4200/900

HEALTH, EDUCATION AND WELFARE

BRIEFS

SCHOOL BUILT WITH SOVIET ASSISTANCE--Hanoi, VNA, March 2--Work has started recently for the construction of a vocational secondary school built with Soviet assistance in Ho Chi Minh City, the first of its kind in South Vietnam. Equipment to be supplied by the Soviet Union will cost more than two million roubles. The Ho Chi Minh City People's Committee has allocated more than 6,000,000 dong for the project. The school will have 10 workshops and 21 classrooms and laboratories. It is scheduled to open in September 1986 with an enrolment of 800 graduates from basic general education. [Text] [Hanoi VNA in English 2 Mar 85]

HAIPHONG FAMILY-BASED ECONOMY--Hanoi, VNA, March 25--The development of family-based economy according to the VAC (garden, fish-pond and pig-sty) model is changing the social looks of rural life on the outskirts of Haiphong. Income from this economy makes up 60 per cent of the income of most peasant families in Tu Doi cooperative in Do Son district. Most unproductive ponds and lakes on the outskirts of Haiphong have been converted into fish-ponds. Tien Lang district has replanted 45 per cent of its gardens and stocked nearly 70 per cent of its ponds with fish, raising the value produce from its gardens and ponds by 20 per cent. Ninety per cent of the families on Haiphong's outskirts are raising from one to five pigs. Many families sold from half a ton to one ton of live pigs to the State last year. [Text] [Hanoi VNA in English 25 Mar 85]

WORLD FOOD PROGRAM EXPANDED--Hanoi, VNA, March 28--Tens of thousands of mothers and children in Ho Chi Minh City are receiving relief food from P.A.M. [World Food Program] under a program of aid to mothers started in the city in April, 1984. The recipients are mothers who breast feed their children up to six months of age, or who have not enough milk or gave birth to twins, triplets and under-weight babies. Children under 15 years of age suffering from malnutrition also benefit from the program. The program carried out with the close cooperation of the public health service, mass organizations and the city authorities, has obtained satisfactory results. Thousands of children suffering from malnutrition have put on weight. [Text] [Hanoi VNA in English 28 Mar 85 p 5a]

MANAGEMENT REFRESHER COURSE--Hanoi, VNA, April 5--The first refresher course in management of innovations and industrial ownership for southern Vietnam was opened in Ho Chi Minh City recently under the sponsorship of the City's

Science and Technology Board. It was attended by 704 cadres from all southern provinces. Lectures were given by Soviet teachers sent by the Soviet Invention and Innovation Commission under an agreement on scientific and technical cooperation between the two countries. [Text] [Hanoi VNA in English 5 Apr 85]

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